

# 2022 Annual Report

**BlackRock Variable Series Funds, Inc.**

- BlackRock Equity Dividend V.I. Fund

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# The Markets in Review

Dear Shareholder,

Significant economic headwinds emerged during the 12-month reporting period ended December 31, 2022, as investors navigated changing economic conditions and volatile markets. The U.S. economy shrank in the first half of 2022 before returning to modest growth in the third quarter, marking a shift to a more challenging post-reopening economic environment. Changes in consumer spending patterns and a tight labor market led to elevated inflation, which reached a 40-year high before beginning to moderate. Moreover, while the foremost effect of Russia's invasion of Ukraine has been a severe humanitarian crisis, the ongoing war continued to present challenges for both investors and policymakers.

Equity prices fell as interest rates rose, particularly during the first half of the reporting period. Both large- and small-capitalization U.S. stocks fell, although equities began to recover in the second half of the year as inflation eased and economic growth resumed. Emerging market stocks and international equities from developed markets declined overall, pressured by rising interest rates and a strengthening U.S. dollar.

The 10-year U.S. Treasury yield rose notably during the reporting period, driving its price down, as investors reacted to fluctuating inflation data and attempted to anticipate its impact on future interest rate changes. The corporate bond market also faced inflationary headwinds, and heightened uncertainty led to higher corporate bond spreads (the difference in yield between U.S. Treasuries and similarly-dated corporate bonds).

The U.S. Federal Reserve (the "Fed"), acknowledging that inflation has been more persistent than expected, raised interest rates seven times. Furthermore, the Fed wound down its bond-buying programs and is accelerating the reduction of its balance sheet. While the Fed suggested that additional rate hikes were likely, it also gave indications that the pace of increases would slow if inflation continued to subside.

The pandemic's restructuring of the economy brought an ongoing mismatch between supply and demand, contributing to the current inflationary regime. While growth slowed in 2022, we believe that taming inflation requires a more dramatic economic decline to bring demand back to a level more in line with the economy's capacity. The Fed has been raising interest rates at the fastest pace in decades, and seems set to overtighten in its effort to get inflation back to target. With this in mind, we believe the possibility of a U.S. recession in the near-term is high, but this prospect has not yet been fully priced in by markets. Investors should expect a period of higher volatility as markets adjust to the new economic reality and policymakers attempt to adapt to rapidly changing conditions.

In this environment, while we favor an overweight to equities in the long-term, the market's concerns over excessive rate hikes from central banks moderate our outlook. Rising input costs and a deteriorating economic backdrop are likely to challenge corporate earnings, so we are underweight equities overall in the near term. However, we see better opportunities in credit, where valuations are attractive and higher yields provide income opportunities. We believe that global investment-grade corporates, global inflation-linked bonds, and U.S. mortgage-backed securities offer strong opportunities for a six- to twelve-month horizon.

Overall, our view is that investors need to think globally, position themselves to be prepared for a decarbonizing economy, and be nimble as market conditions change. We encourage you to talk with your financial advisor and visit [blackrock.com](https://www.blackrock.com) for further insight about investing in today's markets.

Sincerely,



Rob Kapito  
President, BlackRock Advisors, LLC



Rob Kapito  
President, BlackRock Advisors, LLC

## Total Returns as of December 31, 2022

	6-Month	12-Month
U.S. large cap equities (S&P 500® Index)	2.31%	(18.11)%
U.S. small cap equities (Russell 2000® Index)	3.91	(20.44)
International equities (MSCI Europe, Australasia, Far East Index)	6.36	(14.45)
Emerging market equities (MSCI Emerging Markets Index)	(2.99)	(20.09)
3-month Treasury bills (ICE BofA 3-Month U.S. Treasury Bill Index)	1.32	1.47
U.S. Treasury securities (ICE BofA 10-Year U.S. Treasury Index)	(5.58)	(16.28)
U.S. investment grade bonds (Bloomberg U.S. Aggregate Bond Index)	(2.97)	(13.01)
Tax-exempt municipal bonds (Bloomberg Municipal Bond Index)	0.50	(8.53)
U.S. high yield bonds (Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index)	3.50	(11.18)

Past performance is not an indication of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

## Investment Objective

BlackRock Equity Dividend V.I. Fund's (the "Fund") investment objective is to seek long-term total return and current income.

## Portfolio Management Commentary

### How did the Fund perform?

For the 12-month period ended December 31, 2022, the Fund outperformed both its benchmark, the Russell 1000<sup>®</sup> Value Index, and the broad-market S&P 500<sup>®</sup> Index. The following discussion of relative performance pertains to the Russell 1000<sup>®</sup> Value Index.

### What factors influenced performance?

The largest contribution to the Fund's relative performance came from stock selection within industrials. In particular, stock selection in the aerospace and defense and professional services industries boosted relative return. Stock selection in financials also contributed to relative performance, led by investment decisions within capital markets and the Fund's overweight allocation to insurance. Other notable contributors included allocation decisions within communication services and the Fund's lack of exposure to the real estate sector.

By contrast, the largest detractor from the Fund's relative performance was security selection within energy, most notably within the oil, gas and consumable fuel industry. Allocation decisions within the consumer discretionary sector also hurt relative performance, with an overweight allocation to automobiles particularly weighing on relative return. Other notable detractors included stock selection in the healthcare and materials sectors.

The Fund's average cash balance during the period was 5.3%. The elevated cash balance was strategic in nature to maintain an appropriate risk and potential return profile. The Fund's cash balance did not materially affect relative performance during the period.

### Describe recent portfolio activity.

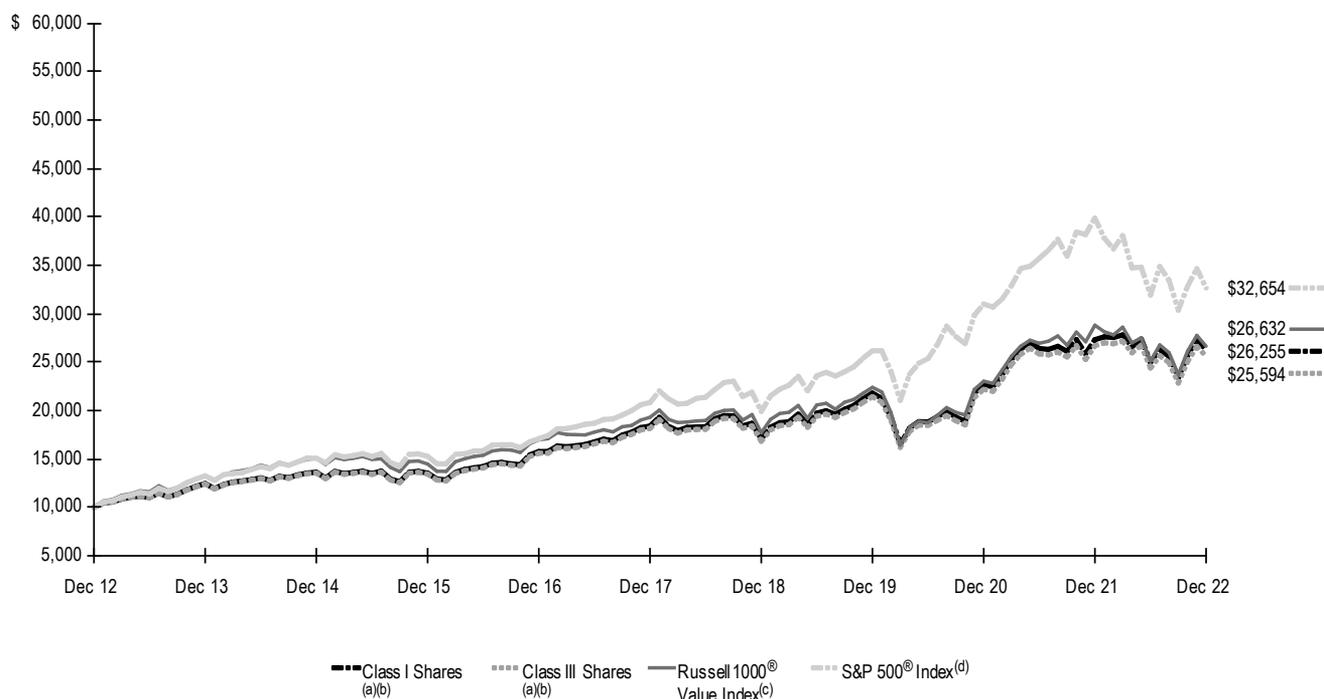
During the period, a combination of portfolio trading activity and market price changes resulted in the Fund increasing its exposure to the healthcare, energy, and consumer staples sectors. The Fund saw decreased exposure to the financials, industrials, and utilities sectors.

### Describe portfolio positioning at period end.

The Fund's largest absolute allocations were to the healthcare, financials, and information technology ("IT") sectors. Relative to the Russell 1000<sup>®</sup> Value Index, the Fund ended the period with the most significant overweight exposures to healthcare, IT, and consumer discretionary. Conversely, the Fund maintained its most significant underweight sector exposures to real estate, industrials, and utilities, maintaining no exposure to real estate at period end.

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

GROWTH OF \$10,000 INVESTMENT



- (a) Assuming transaction costs, if any, and other operating expenses, including investment advisory fees. Does not include insurance-related fees and expenses.
- (b) The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of equity securities. Under normal circumstances, the Fund will invest at least 80% of its assets in equity securities and at least 80% of its assets in dividend paying securities.
- (c) An index that measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values.
- (d) An unmanaged index that covers 500 leading companies and captures approximately 80% coverage of available market capitalization.

Performance

	Average Annual Total Returns <sup>(a)</sup>		
	1 Year	5 Years	10 Years
Class I <sup>(b)</sup>	(3.85)%	7.39%	10.13%
Class III <sup>(b)</sup>	(4.10)	7.11	9.85
<b>Russell 1000® Value Index</b>	<b>(7.54)</b>	<b>6.67</b>	<b>10.29</b>
<b>S&amp;P 500® Index</b>	<b>(18.11)</b>	<b>9.42</b>	<b>12.56</b>

- (a) For a portion of the period, the Fund's investment adviser waived and/or reimbursed a portion of its fee. Without such waiver and/or reimbursement, the Fund's performance would have been lower.
- (b) Average annual total returns are based on changes in net asset value ("NAV") for the periods shown, and assume reinvestment of all distributions at NAV on the ex-dividend date. Insurance-related fees and expenses are not reflected in these returns.

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

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

**Expense Example**

	Actual			Hypothetical 5% Return			Annualized Expense Ratio
	Beginning Account Value (07/01/22)	Ending Account Value (12/31/22)	Expenses Paid During the Period <sup>(a)</sup>	Beginning Account Value (07/01/22)	Ending Account Value (12/31/22)	Expenses Paid During the Period <sup>(a)</sup>	
Class I	\$ 1,000.00	\$ 1,051.30	\$ 3.36	\$ 1,000.00	\$ 1,021.93	\$ 3.31	0.65%
Class III	1,000.00	1,050.30	4.65	1,000.00	1,020.67	4.58	0.90

<sup>(a)</sup> For each class of the Fund, expenses are equal to the annualized expense ratio for the class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period shown).

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

**Portfolio Information****SECTOR ALLOCATION**

Sector <sup>(a)</sup>	Percent of Net Assets
Health Care	21.9%
Financials	20.7
Information Technology	11.9
Energy	8.5
Consumer Discretionary	7.1
Consumer Staples	7.0
Industrials	6.9
Communication Services	6.2
Utilities	3.1
Materials	2.1
Short-Term Securities	12.3
Liabilities in Excess of Other Assets	(7.7)

<sup>(a)</sup> For Fund compliance purposes, the Fund's sector classifications refer to one or more of the sector sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

## Disclosure of Expenses

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

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

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

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

# Schedule of Investments

December 31, 2022

**BlackRock Equity Dividend V.I. Fund**  
(Percentages shown are based on Net Assets)

Security	Shares	Value
<b>Common Stocks</b>		
<b>Aerospace &amp; Defense — 3.0%</b>		
Airbus SE . . . . .	26,716	\$ 3,176,599
BAE Systems plc . . . . .	363,517	3,754,550
L3Harris Technologies, Inc. . . . .	14,976	3,118,153
		10,049,302
<b>Auto Components — 0.5%</b>		
Lear Corp. <sup>(a)</sup> . . . . .	12,758	1,582,247
<b>Automobiles — 2.1%</b>		
General Motors Co. . . . .	203,067	6,831,174
<b>Banks — 11.2%</b>		
Bank of America Corp. . . . .	137,029	4,538,401
Citigroup, Inc. . . . .	191,484	8,660,821
Citizens Financial Group, Inc. . . . .	58,920	2,319,680
First Citizens BancShares, Inc., Class A . . . . .	7,284	5,523,894
JPMorgan Chase & Co. . . . .	52,557	7,047,894
Wells Fargo & Co. . . . .	222,095	9,170,303
		37,260,993
<b>Beverages — 1.0%</b>		
Constellation Brands, Inc., Class A . . . . .	14,453	3,349,483
<b>Capital Markets — 1.2%</b>		
Charles Schwab Corp. (The) . . . . .	23,910	1,990,747
Raymond James Financial, Inc. . . . .	17,211	1,838,995
		3,829,742
<b>Chemicals — 1.0%</b>		
PPG Industries, Inc. <sup>(a)</sup> . . . . .	27,530	3,461,622
<b>Communications Equipment — 2.0%</b>		
Cisco Systems, Inc. . . . .	136,379	6,497,096
<b>Consumer Finance — 0.2%</b>		
Capital One Financial Corp. . . . .	8,632	802,431
<b>Containers &amp; Packaging — 1.0%</b>		
Sealed Air Corp. . . . .	69,791	3,481,175
<b>Diversified Financial Services — 1.3%</b>		
Apollo Global Management, Inc. . . . .	51,753	3,301,324
Equitable Holdings, Inc. . . . .	33,899	972,901
		4,274,225
<b>Diversified Telecommunication Services — 1.6%</b>		
AT&T, Inc. <sup>(a)</sup> . . . . .	127,840	2,353,534
Verizon Communications, Inc. . . . .	73,492	2,895,585
		5,249,119
<b>Electric Utilities — 1.3%</b>		
American Electric Power Co., Inc. <sup>(a)</sup> . . . . .	18,694	1,774,995
Edison International <sup>(a)</sup> . . . . .	25,246	1,606,151
Exelon Corp. . . . .	21,170	915,179
		4,296,325
<b>Entertainment — 0.7%</b>		
Activision Blizzard, Inc. . . . .	31,053	2,377,107
<b>Food &amp; Staples Retailing — 1.0%</b>		
Walmart, Inc. . . . .	22,989	3,259,610
<b>Food Products — 2.0%</b>		
Kraft Heinz Co. (The) . . . . .	134,510	5,475,902
Mondelez International, Inc., Class A . . . . .	18,669	1,244,289
		6,720,191
<b>Health Care Equipment &amp; Supplies — 6.7%</b>		
Baxter International, Inc. . . . .	85,942	4,380,464
Koninklijke Philips NV . . . . .	217,118	3,267,023

Security	Shares	Value
<b>Health Care Equipment &amp; Supplies (continued)</b>		
Medtronic plc . . . . .	109,137	\$ 8,482,127
Zimmer Biomet Holdings, Inc. . . . .	49,234	6,277,335
		22,406,949
<b>Health Care Providers &amp; Services — 8.6%</b>		
AmerisourceBergen Corp. . . . .	11,553	1,914,448
Cardinal Health, Inc. . . . .	55,026	4,229,849
Cigna Corp. . . . .	15,468	5,125,167
Elevance Health, Inc. . . . .	10,523	5,397,983
Humana, Inc. . . . .	9,449	4,839,683
Laboratory Corp. of America Holdings . . . . .	30,299	7,134,809
		28,641,939
<b>Household Durables — 1.6%</b>		
Newell Brands, Inc. <sup>(a)</sup> . . . . .	156,056	2,041,213
Panasonic Holdings Corp. . . . .	373,900	3,129,177
		5,170,390
<b>Industrial Conglomerates — 0.8%</b>		
Siemens AG (Registered) . . . . .	18,835	2,596,430
<b>Insurance — 6.9%</b>		
Allstate Corp. (The) . . . . .	15,535	2,106,546
American International Group, Inc. . . . .	119,058	7,529,228
Fidelity National Financial, Inc. . . . .	89,527	3,368,006
Prudential plc . . . . .	206,341	2,813,520
Willis Towers Watson plc <sup>(a)</sup> . . . . .	29,028	7,099,668
		22,916,968
<b>Interactive Media &amp; Services — 0.3%</b>		
Alphabet, Inc., Class A <sup>(b)</sup> . . . . .	12,450	1,098,464
<b>Internet &amp; Direct Marketing Retail — 0.3%</b>		
Amazon.com, Inc. <sup>(b)</sup> . . . . .	13,520	1,135,680
<b>IT Services — 7.0%</b>		
Cognizant Technology Solutions Corp., Class A . . . . .	127,866	7,312,656
Fidelity National Information Services, Inc. . . . .	101,808	6,907,673
SS&C Technologies Holdings, Inc. . . . .	110,210	5,737,533
Visa, Inc., Class A . . . . .	15,676	3,256,846
		23,214,708
<b>Machinery — 1.2%</b>		
Fortive Corp. . . . .	12,943	831,588
Komatsu Ltd. . . . .	142,400	3,077,851
		3,909,439
<b>Media — 2.9%</b>		
Comcast Corp., Class A . . . . .	186,506	6,522,115
Fox Corp., Class A . . . . .	106,762	3,242,362
		9,764,477
<b>Multiline Retail — 1.2%</b>		
Dollar General Corp. . . . .	16,397	4,037,761
<b>Multi-Utilities — 1.8%</b>		
Public Service Enterprise Group, Inc. <sup>(a)</sup> . . . . .	65,018	3,983,653
Sempra Energy . . . . .	13,365	2,065,427
		6,049,080
<b>Oil, Gas &amp; Consumable Fuels — 8.4%</b>		
BP plc . . . . .	1,685,654	9,726,125
ConocoPhillips . . . . .	14,108	1,664,744
Enterprise Products Partners LP <sup>(a)</sup> . . . . .	306,563	7,394,300
EQT Corp. . . . .	81,437	2,755,014
Hess Corp. . . . .	22,426	3,180,455
Shell plc . . . . .	118,269	3,334,100
		28,054,738

# Schedule of Investments (continued)

December 31, 2022

**BlackRock Equity Dividend V.I. Fund**  
(Percentages shown are based on Net Assets)

Security	Shares	Value
<b>Personal Products — 2.1%</b>		
Unilever plc, ADR <sup>(a)</sup> . . . . .	138,998	\$ 6,998,549
<b>Pharmaceuticals — 6.5%</b>		
AstraZeneca plc . . . . .	45,961	6,219,414
Bayer AG (Registered) . . . . .	99,392	5,115,717
Eli Lilly & Co. . . . .	4,737	1,732,984
Novo Nordisk A/S, ADR <sup>(a)</sup> . . . . .	15,350	2,077,469
Sanofi . . . . .	68,854	6,639,356
		21,784,940
<b>Professional Services — 1.6%</b>		
Leidos Holdings, Inc. . . . .	39,391	4,143,539
Robert Half International, Inc. <sup>(a)</sup> . . . . .	15,353	1,133,512
		5,277,051
<b>Road &amp; Rail — 0.4%</b>		
Union Pacific Corp. . . . .	6,140	1,271,410
<b>Software — 1.7%</b>		
Microsoft Corp. . . . .	23,120	5,544,638
<b>Specialty Retail — 0.8%</b>		
Ross Stores, Inc. . . . .	24,198	2,808,662
<b>Technology Hardware, Storage &amp; Peripherals — 1.4%<sup>(c)</sup></b>		
Samsung Electronics Co. Ltd., GDR . . . . .	1,027	1,134,835
Samsung Electronics Co. Ltd., GDR . . . . .	3,021	3,346,388
		4,481,223
<b>Textiles, Apparel &amp; Luxury Goods — 0.6%</b>		
Ralph Lauren Corp., Class A <sup>(a)</sup> . . . . .	20,214	2,136,013
<b>Tobacco — 0.9%<sup>(a)</sup></b>		
Altria Group, Inc. . . . .	34,013	1,554,735
British American Tobacco plc, ADR . . . . .	39,490	1,578,810
		3,133,545
<b>Wireless Telecommunication Services — 0.6%</b>		
Rogers Communications, Inc., Class B . . . . .	45,367	2,123,269
<b>Total Long-Term Investments — 95.4%</b>		
(Cost: \$312,549,566) . . . . .		317,878,165
<b>Short-Term Securities</b>		
<b>Money Market Funds — 12.3%<sup>(d)(e)</sup></b>		
BlackRock Liquidity Funds, T-Fund, Institutional Class, 4.03% . . . . .	15,577,964	15,577,964
SL Liquidity Series, LLC, Money Market Series, 4.49% <sup>(f)</sup> . . . . .	25,607,777	25,605,216
<b>Total Short-Term Securities — 12.3%</b>		
(Cost: \$41,180,180) . . . . .		41,183,180
<b>Total Investments — 107.7%</b>		
(Cost: \$353,729,746) . . . . .		359,061,345
<b>Liabilities in Excess of Other Assets — (7.7)%</b>		
		(25,718,664)
<b>Net Assets — 100.0%</b>		
	\$	333,342,681

<sup>(a)</sup> All or a portion of this security is on loan.

<sup>(b)</sup> Non-income producing security.

<sup>(c)</sup> This security may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.

<sup>(d)</sup> Affiliate of the Fund.

<sup>(e)</sup> Annualized 7-day yield as of period end.

<sup>(f)</sup> All or a portion of this security was purchased with the cash collateral from loaned securities.

# Schedule of Investments (continued)

BlackRock Equity Dividend VI. Fund

December 31, 2022

## Affiliates

Investments in issuers considered to be affiliate(s) of the Fund during the year ended December 31, 2022 for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliated Issuer	Value at 12/31/21	Purchases at Cost	Proceeds from Sale	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 12/31/22	Shares Held at 12/31/22	Income	Capital Gain Distributions from Underlying Funds
BlackRock Liquidity Funds, T-Fund, Institutional Class . . .	\$ 21,189,230	\$ —	\$ (5,611,266) <sup>(a)</sup>	\$ —	\$ —	\$ 15,577,964	15,577,964	\$ 248,910	\$ —
SL Liquidity Series, LLC, Money Market Series . . . . .	11,611,074	13,994,401 <sup>(a)</sup>	—	(3,259)	3,000	25,605,216	25,607,777	38,356 <sup>(b)</sup>	—
				<u>\$ (3,259)</u>	<u>\$ 3,000</u>	<u>\$ 41,183,180</u>		<u>\$ 287,266</u>	<u>\$ —</u>

<sup>(a)</sup> Represents net amount purchased (sold).

<sup>(b)</sup> All or a portion represents securities lending income earned from the reinvestment of cash collateral from loaned securities, net of fees and collateral investment expenses, and other payments to and from borrowers of securities.

For Fund compliance purposes, the Fund's industry classifications refer to one or more of the industry sub-classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the investment adviser. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

## Fair Value Hierarchy as of Period End

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

The following table summarizes the Fund's financial instruments categorized in the fair value hierarchy. The breakdown of the Fund's financial instruments into major categories is disclosed in the Schedule of Investments above.

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Investments				
Long-Term Investments				
Common Stocks				
Aerospace & Defense . . . . .	\$ 3,118,153	\$ 6,931,149	\$ —	\$ 10,049,302
Auto Components . . . . .	1,582,247	—	—	1,582,247
Automobiles . . . . .	6,831,174	—	—	6,831,174
Banks . . . . .	37,260,993	—	—	37,260,993
Beverages . . . . .	3,349,483	—	—	3,349,483
Capital Markets . . . . .	3,829,742	—	—	3,829,742
Chemicals . . . . .	3,461,622	—	—	3,461,622
Communications Equipment . . . . .	6,497,096	—	—	6,497,096
Consumer Finance . . . . .	802,431	—	—	802,431
Containers & Packaging . . . . .	3,481,175	—	—	3,481,175
Diversified Financial Services . . . . .	4,274,225	—	—	4,274,225
Diversified Telecommunication Services . . . . .	5,249,119	—	—	5,249,119
Electric Utilities . . . . .	4,296,325	—	—	4,296,325
Entertainment . . . . .	2,377,107	—	—	2,377,107
Food & Staples Retailing . . . . .	3,259,610	—	—	3,259,610
Food Products . . . . .	6,720,191	—	—	6,720,191
Health Care Equipment & Supplies . . . . .	19,139,926	3,267,023	—	22,406,949
Health Care Providers & Services . . . . .	28,641,939	—	—	28,641,939
Household Durables . . . . .	2,041,213	3,129,177	—	5,170,390
Industrial Conglomerates . . . . .	—	2,596,430	—	2,596,430
Insurance . . . . .	20,103,448	2,813,520	—	22,916,968
Interactive Media & Services . . . . .	1,098,464	—	—	1,098,464
Internet & Direct Marketing Retail . . . . .	1,135,680	—	—	1,135,680
IT Services . . . . .	23,214,708	—	—	23,214,708
Machinery . . . . .	831,588	3,077,851	—	3,909,439
Media . . . . .	9,764,477	—	—	9,764,477
Multiline Retail . . . . .	4,037,761	—	—	4,037,761
Multi-Utilities . . . . .	6,049,080	—	—	6,049,080

Schedule of Investments (continued)

BlackRock Equity Dividend VI. Fund

December 31, 2022

Fair Value Hierarchy as of Period End (continued)

	Level 1	Level 2	Level 3	Total
Oil, Gas & Consumable Fuels . . . . .	\$ 14,994,513	\$ 13,060,225	\$ —	\$ 28,054,738
Personal Products . . . . .	6,998,549	—	—	6,998,549
Pharmaceuticals . . . . .	3,810,453	17,974,487	—	21,784,940
Professional Services . . . . .	5,277,051	—	—	5,277,051
Road & Rail . . . . .	1,271,410	—	—	1,271,410
Software . . . . .	5,544,638	—	—	5,544,638
Specialty Retail . . . . .	2,808,662	—	—	2,808,662
Technology Hardware, Storage & Peripherals . . . . .	1,134,835	3,346,388	—	4,481,223
Textiles, Apparel & Luxury Goods . . . . .	2,136,013	—	—	2,136,013
Tobacco . . . . .	3,133,545	—	—	3,133,545
Wireless Telecommunication Services . . . . .	2,123,269	—	—	2,123,269
Short-Term Securities				
Money Market Funds . . . . .	15,577,964	—	—	15,577,964
	<u>\$ 277,259,879</u>	<u>\$ 56,196,250</u>	<u>\$ —</u>	<u>\$ 333,456,129</u>
Investments valued at NAV <sup>(a)</sup> . . . . .				25,605,216
				<u>\$ 359,061,345</u>

<sup>(a)</sup> Certain investments of the Fund were fair valued using NAV as a practical expedient as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

See notes to financial statements.

# Statement of Assets and Liabilities

December 31, 2022

BlackRock Equity  
Dividend V.I. Fund

## ASSETS

Investments, at value — unaffiliated <sup>(a)(b)</sup>	\$ 317,878,165
Investments, at value — affiliated <sup>(c)</sup>	41,183,180
Foreign currency, at value <sup>(d)</sup>	5,421
Receivables:	
Securities lending income — affiliated	5,012
Capital shares sold	5,270
Dividends — unaffiliated	409,960
Dividends — affiliated	51,352
Prepaid expenses	2,449
Total assets	<u>359,540,809</u>

## LIABILITIES

Collateral on securities loaned	25,614,652
Payables:	
Accounting services fees	31,521
Capital shares redeemed	62,549
Distribution fees	61,497
Investment advisory fees	170,845
Directors' and Officer's fees	24
Professional fees	33,301
Transfer agent fees	184,361
Other accrued expenses	39,378
Total liabilities	<u>26,198,128</u>

NET ASSETS \$ 333,342,681

## NET ASSETS CONSIST OF:

Paid-in capital	\$ 326,589,270
Accumulated earnings	6,753,411
NET ASSETS	<u>\$ 333,342,681</u>

<sup>(a)</sup> Investments, at cost — unaffiliated \$ 312,549,566

<sup>(b)</sup> Securities loaned, at value \$ 24,954,587

<sup>(c)</sup> Investments, at cost — affiliated \$ 41,180,180

<sup>(d)</sup> Foreign currency, at cost \$ 5,486

See notes to financial statements.

# Statement of Assets and Liabilities (continued)

December 31, 2022

BlackRock Equity  
Dividend V.I. Fund

## NET ASSET VALUE

### Class I

Net assets . . . . .	\$ 41,533,706
Shares outstanding . . . . .	4,092,925
Net asset value . . . . .	\$ 10.15
Shares authorized . . . . .	100 million
Par value . . . . .	\$ 0.10

### Class III

Net assets . . . . .	\$ 291,808,975
Shares outstanding . . . . .	28,840,606
Net asset value . . . . .	\$ 10.12
Shares authorized . . . . .	100 million
Par value . . . . .	\$ 0.10

See notes to financial statements.

# Statement of Operations

Year Ended December 31, 2022

BlackRock Equity  
Dividend V.I. Fund

## INVESTMENT INCOME

Dividends — unaffiliated . . . . .	\$ 8,276,748
Dividends — affiliated . . . . .	248,910
Securities lending income — affiliated — net . . . . .	38,356
Foreign taxes withheld . . . . .	(167,854)
Total investment income . . . . .	<u>8,396,160</u>

## EXPENSES

Investment advisory . . . . .	2,079,949
Distribution — class specific . . . . .	767,153
Transfer agent — class specific . . . . .	702,863
Accounting services . . . . .	63,301
Professional . . . . .	54,562
Custodian . . . . .	29,364
Printing and postage . . . . .	19,395
Directors and Officer . . . . .	9,155
Transfer agent . . . . .	5,411
Miscellaneous . . . . .	5,980
Total expenses . . . . .	<u>3,737,133</u>
Less:	
Transfer agent fees reimbursed by the Manager — class specific . . . . .	(702,863)
Fees waived and/or reimbursed by the Manager . . . . .	(10,076)
Total expenses after fees waived and/or reimbursed . . . . .	<u>3,024,194</u>
Net investment income . . . . .	<u>5,371,966</u>

## REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) from:	
Investments — unaffiliated . . . . .	37,365,967
Investments — affiliated . . . . .	(3,259)
Foreign currency transactions . . . . .	(37,246)
	<u>37,325,462</u>
Net change in unrealized appreciation (depreciation) on:	
Investments — unaffiliated . . . . .	(57,450,140)
Investments — affiliated . . . . .	3,000
Foreign currency translations . . . . .	1,373
	<u>(57,445,767)</u>
Net realized and unrealized loss . . . . .	<u>(20,120,305)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .	<u>\$ (14,748,339)</u>

See notes to financial statements.

# Statements of Changes in Net Assets

	BlackRock Equity Dividend V.I. Fund	
	Year Ended 12/31/22	Year Ended 12/31/21
<i>INCREASE (DECREASE) IN NET ASSETS</i>		
<b>OPERATIONS</b>		
Net investment income . . . . .	\$ 5,371,966	\$ 5,017,323
Net realized gain . . . . .	37,325,462	48,823,612
Net change in unrealized appreciation (depreciation) . . . . .	(57,445,767)	12,111,791
Net increase (decrease) in net assets resulting from operations . . . . .	<u>(14,748,339)</u>	<u>65,952,726</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS<sup>(a)</sup></b>		
Class I . . . . .	(5,512,167)	(5,286,311)
Class III . . . . .	(38,920,964)	(44,657,662)
Decrease in net assets resulting from distributions to shareholders . . . . .	<u>(44,433,131)</u>	<u>(49,943,973)</u>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Net increase in net assets derived from capital share transactions . . . . .	<u>22,037,219</u>	<u>12,894,968</u>
<i>NET ASSETS</i>		
Total increase (decrease) in net assets . . . . .	(37,144,251)	28,903,721
Beginning of year . . . . .	370,486,932	341,583,211
End of year . . . . .	<u>\$ 333,342,681</u>	<u>\$ 370,486,932</u>

<sup>(a)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

See notes to financial statements.

# Financial Highlights

(For a share outstanding throughout each period)

	BlackRock Equity Dividend V.I. Fund				
	Class I				
	Year Ended 12/31/22	Year Ended 12/31/21	Year Ended 12/31/20	Year Ended 12/31/19	Year Ended 12/31/18
<b>Net asset value, beginning of year</b> . . . . .	\$ 12.17	\$ 11.68	\$ 11.90	\$ 10.17	\$ 12.14
Net investment income <sup>(a)</sup> . . . . .	0.20	0.21	0.22	0.25	0.24
Net realized and unrealized gain (loss) . . . . .	(0.69)	2.15	0.20	2.53	(1.09)
Net increase (decrease) from investment operations . . . . .	(0.49)	2.36	0.42	2.78	(0.85)
<b>Distributions<sup>(b)</sup></b>					
From net investment income . . . . .	(0.20)	(0.20)	(0.24)	(0.24)	(0.24)
From net realized gain . . . . .	(1.33)	(1.67)	(0.40)	(0.81)	(0.88)
Total distributions . . . . .	(1.53)	(1.87)	(0.64)	(1.05)	(1.12)
<b>Net asset value, end of year</b> . . . . .	\$ 10.15	\$ 12.17	\$ 11.68	\$ 11.90	\$ 10.17
<b>Total Return<sup>(c)</sup></b>					
Based on net asset value . . . . .	(3.85)%	20.54%	3.91%	27.71%	(7.16)%
<b>Ratios to Average Net Assets<sup>(d)</sup></b>					
Total expenses . . . . .	0.86%	0.86%	0.85%	0.86%	0.87%
Total expenses after fees waived and/or reimbursed . . . . .	0.65%	0.65%	0.65%	0.65%	0.66%
Net investment income . . . . .	1.77%	1.59%	2.08%	2.17%	2.00%
<b>Supplemental Data</b>					
Net assets, end of year (000) . . . . .	\$ 41,534	\$ 39,837	\$ 31,361	\$ 33,881	\$ 30,655
Portfolio turnover rate . . . . .	54%	42%	51%	45%	37%

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

<sup>(b)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(c)</sup> Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.

<sup>(d)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

See notes to financial statements.

**Financial Highlights** (continued)  
(For a share outstanding throughout each period)

	BlackRock Equity Dividend V.I. Fund				
	Class III				
	Year Ended 12/31/22	Year Ended 12/31/21	Year Ended 12/31/20	Year Ended 12/31/19	Year Ended 12/31/18
<b>Net asset value, beginning of year</b> . . . . .	\$ 12.14	\$ 11.65	\$ 11.88	\$ 10.15	\$ 12.12
Net investment income <sup>(a)</sup> . . . . .	0.18	0.18	0.19	0.22	0.21
Net realized and unrealized gain (loss) . . . . .	(0.70)	2.15	0.19	2.53	(1.09)
Net increase (decrease) from investment operations . . . . .	(0.52)	2.33	0.38	2.75	(0.88)
<b>Distributions<sup>(b)</sup></b>					
From net investment income . . . . .	(0.17)	(0.17)	(0.21)	(0.21)	(0.21)
From net realized gain . . . . .	(1.33)	(1.67)	(0.40)	(0.81)	(0.88)
Total distributions . . . . .	(1.50)	(1.84)	(0.61)	(1.02)	(1.09)
<b>Net asset value, end of year</b> . . . . .	\$ 10.12	\$ 12.14	\$ 11.65	\$ 11.88	\$ 10.15
<b>Total Return<sup>(c)</sup></b>					
Based on net asset value . . . . .	(4.10)%	20.30%	3.57%	27.46%	(7.42)%
<b>Ratios to Average Net Assets<sup>(d)</sup></b>					
Total expenses . . . . .	1.11%	1.11%	1.11%	1.12%	1.12%
Total expenses after fees waived and/or reimbursed . . . . .	0.90%	0.90%	0.90%	0.90%	0.91%
Net investment income . . . . .	1.52%	1.36%	1.83%	1.91%	1.75%
<b>Supplemental Data</b>					
Net assets, end of year (000) . . . . .	\$ 291,809	\$ 330,650	\$ 310,222	\$ 306,365	\$ 250,255
Portfolio turnover rate . . . . .	54%	42%	51%	45%	37%

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

<sup>(b)</sup> Distributions for annual periods determined in accordance with U.S. federal income tax regulations.

<sup>(c)</sup> Where applicable, excludes insurance-related fees and expenses and assumes the reinvestment of distributions.

<sup>(d)</sup> Excludes fees and expenses incurred indirectly as a result of investments in underlying funds.

See notes to financial statements.

# Notes to Financial Statements

## 1. ORGANIZATION

BlackRock Variable Series Funds, Inc. (the “Company”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Company is organized as a Maryland corporation that is comprised of 15 separate funds. The funds offer shares to insurance companies for their separate accounts to fund benefits under certain variable annuity and variable life insurance contracts. The financial statements presented are for BlackRock Equity Dividend V.I. Fund (the “Fund”). The Fund is classified as diversified. The Fund offers multiple classes of shares. Class I and Class III Shares have equal voting, dividend, liquidation and other rights, except that only shares of the respective classes are entitled to vote on matters concerning only that class. In addition, Class III Shares bear certain expenses related to the distribution of such shares.

The Fund, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the “Manager”) or its affiliates, is included in a complex of funds referred to as the BlackRock Multi-Asset Complex.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, 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. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Dividends from foreign securities where the ex-dividend dates may have passed are subsequently recorded when the Fund is informed of the ex-dividend dates. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Income, expenses and realized and unrealized gains and losses are allocated daily to each class based on its relative net assets.

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

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

**Foreign Taxes:** The Fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, stock dividends, capital gains on investments, or certain foreign currency transactions. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in the foreign jurisdictions in which the Fund invests. These foreign taxes, if any, are paid by the Fund and are reflected in its Statement of Operations as follows: foreign taxes withheld at source are presented as a reduction of income, foreign taxes on securities lending income are presented as a reduction of securities lending income, foreign taxes on stock dividends are presented as “Foreign taxes withheld”, and foreign taxes on capital gains from sales of investments and foreign taxes on foreign currency transactions are included in their respective net realized gain (loss) categories. Foreign taxes payable or deferred as of December 31, 2022, if any, are disclosed in the Statement of Assets and Liabilities.

The Fund files withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Fund may record a reclaim receivable based on collectability, which includes factors such as the jurisdiction’s applicable laws, payment history and market convention. The Statement of Operations includes tax reclaims recorded as well as professional and other fees, if any, associated with recovery of foreign withholding taxes.

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

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

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

## 3. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**Investment Valuation Policies:** The Fund’s investments are valued at fair value (also referred to as “market value” within the financial statements) each day that the Fund is open for business and, for financial reporting purposes, as of the report date. U.S. GAAP defines fair value as the price a fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Board of Directors of the Company (the “Board”) has approved the designation of the Fund’s Manager as the valuation designee for the Fund. The Fund determines the fair values of its financial instruments using various independent dealers or pricing

## Notes to Financial Statements (continued)

services under the Manager's policies. If a security's market price is not readily available or does not otherwise accurately represent the fair value of the security, the security will be valued in accordance with the Manager's policies and procedures as reflecting fair value. The Manager has formed a committee (the "Valuation Committee") to develop pricing policies and procedures and to oversee the pricing function for all financial instruments, with assistance from other BlackRock pricing committees.

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

- Equity investments traded on a recognized securities exchange are valued at that day's official closing price, as applicable, on the exchange where the stock is primarily traded. Equity investments traded on a recognized exchange for which there were no sales on that day may be valued at the last available bid (long positions) or ask (short positions) price.
- Investments in open-end U.S. mutual funds (including money market funds) are valued at that day's published net asset value ("NAV").
- The Fund values its investment in SL Liquidity Series, LLC, Money Market Series (the "Money Market Series") at fair value, which is ordinarily based upon its pro rata ownership in the underlying fund's net assets.

Generally, trading in foreign instruments is substantially completed each day at various times prior to the close of trading on the NYSE. Each business day, the Fund uses current market factors supplied by independent pricing services to value certain foreign instruments ("Systematic Fair Value Price"). The Systematic Fair Value Price is designed to value such foreign securities at fair value as of the close of trading on the NYSE, which follows the close of the local markets.

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

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

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

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments classified within Level 3 have significant unobservable inputs used by the Valuation Committee in determining the price for Fair Valued Investments. Level 3 investments include equity or debt issued by privately held companies or funds that may not have a secondary market and/or may have a limited number of investors. The categorization of a value determined for financial instruments is based on the pricing transparency of the financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

As of December 31, 2022, certain investments of the Fund were fair valued using NAV as a practical expedient as no quoted market value is available and therefore have been excluded from the fair value hierarchy.

## 4. SECURITIES AND OTHER INVESTMENTS

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

As of period end, any securities on loan were collateralized by cash and/or U.S. Government obligations. Cash collateral invested by the securities lending agent, BlackRock Investment Management, LLC ("BIM"), if any, is disclosed in the Schedule of Investments. Any non-cash collateral received cannot be sold, re-invested or pledged by the Fund, except in the event of borrower default. The securities on loan, if any, are disclosed in the Fund's Schedule of Investments. The market value of any securities on loan

## Notes to Financial Statements (continued)

and the value of any related collateral are shown separately in the Statement of Assets and Liabilities as a component of investments at value – unaffiliated and collateral on securities loaned, respectively.

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

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

<i>Counterparty</i>		<i>Securities Loaned at Value</i>		<i>Cash Collateral Received <sup>(a)</sup></i>		<i>Non-Cash Collateral Received, at Fair Value</i>		<i>Net Amount</i>
Barclays Capital, Inc. . . . .	\$	3,114,608	\$	(3,114,608)	\$	—	\$	—
Citigroup Global Markets, Inc. . . . .		9,108,151		(9,108,151)		—		—
Credit Suisse Securities (USA) LLC . . . . .		19,190		(19,190)		—		—
Goldman Sachs & Co. LLC . . . . .		3,834,318		(3,834,318)		—		—
J.P. Morgan Securities LLC . . . . .		2,063,294		(2,063,294)		—		—
Morgan Stanley . . . . .		6,310,918		(6,310,918)		—		—
Toronto-Dominion Bank . . . . .		504,108		(504,108)		—		—
	\$	24,954,587	\$	(24,954,587)	\$	—	\$	—

<sup>(a)</sup> Collateral received, if any, in excess of the market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Fund’s Statement of Assets and Liabilities.

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

### 5. INVESTMENT ADVISORY AGREEMENT AND OTHER TRANSACTIONS WITH AFFILIATES

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

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

<i>Average Daily Net Assets</i>	<i>Investment Advisory Fees</i>
First \$1 billion . . . . .	0.60%
\$1 billion - \$3 billion . . . . .	0.56
\$3 billion - \$5 billion . . . . .	0.54
\$5 billion - \$10 billion . . . . .	0.52
Greater than \$10 billion. . . . .	0.51

**Distribution Fees:** The Company, on behalf of the Fund, entered into a Distribution Agreement and a Distribution Plan with BlackRock Investments, LLC (“BRIL”), an affiliate of the Manager. Pursuant to the Distribution Plan and in accordance with Rule 12b-1 under the 1940 Act, the Fund pays BRIL ongoing distribution fees. The fees are accrued daily and paid monthly at an annual rate of 0.25% based upon the average daily net assets attributable to Class III.

BRIL and broker-dealers, pursuant to sub-agreements with BRIL, provide shareholder distribution services to the Fund. The ongoing distribution fee compensates BRIL and each broker-dealer for providing shareholder distribution related services to shareholders.

For the year ended December 31, 2022, the class specific distribution fees borne directly by Class III were \$767,153.

**Transfer Agent:** On behalf of the Fund, the Manager entered into agreements with insurance companies and other financial intermediaries (“Service Organizations”), some of which may be affiliates. Pursuant to these agreements, the Service Organizations provide the Fund with administrative, networking, recordkeeping, sub-transfer agency and shareholder services to underlying investor accounts. For these services, the Service Organizations receive an annual fee per shareholder account, which will vary depending on share class and/or net assets of Fund shareholders serviced by the Service Organizations which is shown as transfer agent – class specific in the Statement of Operations. For the year ended December 31, 2022, the Fund did not pay any amounts to affiliates in return for these services.

## Notes to Financial Statements (continued)

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

For the year ended December 31, 2022, the following table shows the class specific transfer agent fees borne directly by each share class of the Fund:

	Class I	Class III	Total
Transfer agent fees - class specific	\$ 80,435	\$ 622,428	\$ 702,863

**Expense Limitations, Waivers and Reimbursements:** The Manager contractually agreed to waive its investment advisory fees by the amount of investment advisory fees the Fund pays to the Manager indirectly through its investment in affiliated money market funds (the "affiliated money market fund waiver") through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the directors who are not "interested persons" of the Company, as defined in the 1940 Act ("Independent Directors"), or by a vote of a majority of the outstanding voting securities of the Fund. The amount of waivers and/or reimbursements of fees and expenses made pursuant to the expense limitation described below will be reduced by the amount of the affiliated money market fund waiver. This amount is included in fees waived and/or reimbursed by the Manager in the Statement of Operations. For the year ended December 31, 2022, the amount waived was \$10,076.

The Manager has contractually agreed to waive its investment advisory fee with respect to any portion of the Fund's assets invested in affiliated equity and fixed-income mutual funds and affiliated exchange-traded funds that have a contractual management fee through June 30, 2023. The contractual agreement may be terminated upon 90 days' notice by a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended December 31, 2022, there were no fees waived by the Manager pursuant to this arrangement.

The Manager has contractually agreed to reimburse certain transfer agent fees in order to limit such certain expenses to 0.00% of average daily net assets for Class I and Class III shares. The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2023, unless approved by the Board, including a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. These amounts are included in transfer agent fees reimbursed by the Manager – class specific in the Statement of Operations. For the year ended December 31, 2022, class specific expense reimbursements were as follows:

<i>Fund Name/Share Class</i>	<i>Transfer Agent Fees Reimbursed by the Manager - Class Specific</i>	
<b>BlackRock Equity Dividend V.I. Fund</b>		
Class I	\$	80,435
Class III		622,428
	\$	702,863

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

	Class I	Class III
Expense Limitations	1.25%	1.50%

The Manager has agreed not to reduce or discontinue the contractual expense limitations through June 30, 2023, unless approved by the Board, including a majority of the Independent Directors, or by a vote of a majority of the outstanding voting securities of the Fund. For the year ended December 31, 2022, there were no fees waived and/or reimbursed by the Manager pursuant to this agreement.

**Securities Lending:** The U.S. Securities and Exchange Commission ("SEC") has issued an exemptive order which permits BIM, an affiliate of the Manager, to serve as securities lending agent for the Fund, subject to applicable conditions. As securities lending agent, BIM bears all operational costs directly related to securities lending. The Fund is responsible for expenses in connection with the investment of cash collateral received for securities on loan (the "collateral investment expenses"). The cash collateral is invested in a private investment company, Money Market Series, managed by the Manager or its affiliates. However, BIM has agreed to cap the collateral investment expenses of the Money Market Series to an annual rate of 0.04%. The investment adviser to the Money Market Series will not charge any advisory fees with respect to shares purchased by the Fund. The Money Market Series may, under certain circumstances, impose a liquidity fee of up to 2% of the value withdrawn or temporarily restrict withdrawals for up to 10 business days during a 90 day period, in the event that the private investment company's weekly liquid assets fall below certain thresholds. The Money Market Series seeks current income consistent with maintaining liquidity and preserving capital. Although the Money Market Series is not registered under the 1940 Act, its investments may follow the parameters of investments by a money market fund that is subject to Rule 2a-7 under the 1940 Act.

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

Pursuant to the current securities lending agreement, the Fund retains 81% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

In addition, commencing the business day following the date that the aggregate securities lending income earned across the BlackRock Multi-Asset Complex in a calendar year exceeds a specified threshold, the Fund, pursuant to the securities lending agreement, will retain for the remainder of that calendar year securities lending income in an amount equal to 81% of securities lending income (which excludes collateral investment expenses), and this amount retained can never be less than 70% of the total of securities lending income plus the collateral investment expenses.

The share of securities lending income earned by the Fund is shown as securities lending income — affiliated — net in the Statement of Operations. For the year ended December 31, 2022, the Fund paid BIM \$8,879 for securities lending agent services.

## Notes to Financial Statements (continued)

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

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

During the year ended December 31, 2022, the Fund did not participate in the Interfund Lending Program.

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

### 6. PURCHASES AND SALES

For the year ended December 31, 2022, purchases and sales of investments, excluding short-term securities, were \$177,305,183 and \$188,828,689, respectively.

### 7. INCOME TAX INFORMATION

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

The Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Fund’s U.S. federal tax returns generally remains open for a period of three years after they are filed. The statutes of limitations on the Fund’s state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Fund as of December 31, 2022, inclusive of the open tax return years, and does not believe that there are any uncertain tax positions that require recognition of a tax liability in the Fund’s financial statements.

The tax character of distributions paid was as follows:

<i>Fund Name</i>	<i>Year Ended 12/31/22</i>	<i>Year Ended 12/31/21</i>
BlackRock Equity Dividend V.I. Fund		
Ordinary income . . . . .	\$ 5,075,034	\$ 14,404,471
Long-term capital gains . . . . .	39,358,097	35,539,502
	<u>\$ 44,433,131</u>	<u>\$ 49,943,973</u>

As of December 31, 2022, the tax components of accumulated earnings (loss) were as follows:

<i>Fund Name</i>	<i>Undistributed Ordinary Income</i>	<i>Undistributed Long-Term Capital Gains</i>	<i>Net Unrealized Gains (Losses)<sup>(a)</sup></i>	<i>Total</i>
BlackRock Equity Dividend V.I. Fund . . . . .	\$ 18,726	\$ 1,706,569	\$ 5,028,116	\$ 6,753,411

<sup>(a)</sup> The difference between book-basis and tax-basis net unrealized gains (losses) was attributable primarily to the tax deferral of losses on wash sales and the timing and recognition of partnership income.

As of December 31, 2022, gross unrealized appreciation and depreciation based on cost of investments (including short positions and derivatives, if any) for U.S. federal income tax purposes were as follows:

<i>Fund Name</i>	<i>Tax Cost</i>	<i>Gross Unrealized Appreciation</i>	<i>Gross Unrealized Depreciation</i>	<i>Net Unrealized Appreciation (Depreciation)</i>
BlackRock Equity Dividend V.I. Fund . . . . .	\$ 352,376,813	\$ 30,613,930	\$ (23,929,398)	\$ 6,684,532

### 8. BANK BORROWINGS

The Company, on behalf of the Fund, along with certain other funds managed by the Manager and its affiliates (“Participating Funds”), are a party to a 364-day, \$2.50 billion credit agreement with a group of lenders. Under this agreement, the Fund may borrow to fund shareholder redemptions. Excluding commitments designated for certain individual funds, the Participating Funds, including the Fund, can borrow up to an aggregate commitment amount of \$1.75 billion at any time outstanding, subject to asset coverage and other limitations as specified in the agreement. The credit agreement has the following terms: a fee of 0.10% per annum on unused commitment amounts and interest at a rate equal to the higher of (a) Overnight Bank Funding Rate (“OBFR”) (but, in any event, not less than 0.00%) on the date the loan is made plus 0.80% per annum, (b) the Fed Funds rate (but, in any event, not less than 0.00%) in effect from time to time plus 0.80% per annum on amounts borrowed or (c) the sum of (x) Daily Simple

## Notes to Financial Statements (continued)

Secured Overnight Financing Rate ("SOFR") (but, in any event, not less than 0.00%) on the date the loan is made plus 0.10% and (y) 0.80% per annum. The agreement expires in April 2023 unless extended or renewed. These fees were allocated among such funds based upon portions of the aggregate commitment available to them and relative net assets of Participating Funds. During the year ended December 31, 2022, the Fund did not borrow under the credit agreement.

### 9. PRINCIPAL RISKS

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

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

**Infectious Illness Risk:** An outbreak of an infectious illness, such as the COVID-19 pandemic, may adversely impact the economies of many nations and the global economy, and may impact individual issuers and capital markets in ways that cannot be foreseen.

An infectious illness outbreak may result in, among other things, closed international borders, prolonged quarantines, supply chain disruptions, market volatility or disruptions and other significant economic, social and political impacts.

**Valuation Risk:** The market values of equities, such as common stocks and preferred securities or equity related investments, such as futures and options, may decline due to general market conditions which are not specifically related to a particular company. They may also decline due to factors which affect a particular industry or industries. The Fund may invest in illiquid investments. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. The Fund may experience difficulty in selling illiquid investments in a timely manner at the price that it believes the investments are worth. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. This volatility may cause the Fund's NAV to experience significant increases or decreases over short periods of time. If there is a general decline in the securities and other markets, the NAV of the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

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

**Concentration Risk:** A diversified portfolio, where this is appropriate and consistent with a fund's objectives, minimizes the risk that a price change of a particular investment will have a material impact on the NAV of a fund. The investment concentrations within the Fund's portfolio are disclosed in its Schedule of Investments.

**Significant Shareholder Redemption Risk:** Certain shareholders may own or manage a substantial amount of fund shares and/or hold their fund investments for a limited period of time. Large redemptions of fund shares by these shareholders may force a fund to sell portfolio securities, which may negatively impact the fund's NAV, increase the fund's brokerage costs, and/or accelerate the realization of taxable income/gains and cause the fund to make additional taxable distributions to shareholders.

**LIBOR Transition Risk:** The United Kingdom's Financial Conduct Authority announced a phase out of the London Interbank Offered Rate ("LIBOR"). Although many LIBOR rates ceased to be published or no longer are representative of the underlying market they seek to measure after December 31, 2021, a selection of widely used USD LIBOR rates will continue to be published through June 2023 in order to assist with the transition. The Fund may be exposed to financial instruments tied to LIBOR to determine payment obligations, financing terms, hedging strategies or investment value. The transition process away from LIBOR might lead to increased volatility and illiquidity in markets for, and reduce the effectiveness of new hedges placed against instruments whose terms currently include LIBOR. The ultimate effect of the LIBOR transition process on the Fund is uncertain.

## Notes to Financial Statements (continued)

### 10. CAPITAL SHARE TRANSACTIONS

Transactions in capital shares for each class were as follows:

<i>Fund Name/Share Class</i>	Year Ended 12/31/22		Year Ended 12/31/21	
	<i>Shares</i>	<i>Amount</i>	<i>Shares</i>	<i>Amount</i>
<b>BlackRock Equity Dividend V.I. Fund</b>				
Class I				
Shares sold . . . . .	968,282	\$ 11,218,490	608,872	\$ 8,073,437
Shares issued in reinvestment of distributions . . . . .	539,716	5,512,167	434,538	5,286,311
Shares redeemed . . . . .	(687,928)	(7,828,309)	(456,147)	(6,031,978)
	<u>820,070</u>	<u>\$ 8,902,348</u>	<u>587,263</u>	<u>\$ 7,327,770</u>
Class III				
Shares sold . . . . .	3,190,532	\$ 37,429,545	2,365,289	\$ 31,068,682
Shares issued in reinvestment of distributions . . . . .	3,822,287	38,920,964	3,682,603	44,657,662
Shares redeemed . . . . .	(5,409,561)	(63,215,638)	(5,437,180)	(70,159,146)
	<u>1,603,258</u>	<u>\$ 13,134,871</u>	<u>610,712</u>	<u>\$ 5,567,198</u>
	<u>2,423,328</u>	<u>\$ 22,037,219</u>	<u>1,197,975</u>	<u>\$ 12,894,968</u>

### 11. SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued and has determined that there were no subsequent events requiring adjustment or additional disclosure in the financial statements.

# Report of Independent Registered Public Accounting Firm

To the Shareholders of BlackRock Equity Dividend V.I. Fund and the Board of Directors of BlackRock Variable Series Funds, Inc.:

## Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of BlackRock Equity Dividend V.I. Fund of BlackRock Variable Series Funds, Inc. (the "Fund"), including the schedule of investments, as of December 31, 2022, 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, 2022, 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, 2022, by correspondence with custodians or counterparties; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Deloitte & Touche LLP  
Boston, Massachusetts  
February 14, 2023

We have served as the auditor of one or more BlackRock investment companies since 1992.

# Glossary of Terms Used in this Report

## Portfolio Abbreviation

ADR	American Depositary Receipts
GDR	Global Depositary Receipts

# Statement Regarding Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the “Liquidity Rule”), BlackRock Variable Series Funds, Inc. (“Variable Series Funds”) and BlackRock Variable Series Funds II, Inc. (“Variable Series Funds II” and together with Variable Series Funds, the “Companies” and each, a “Company”) has adopted and implemented a liquidity risk management program (the “Program”) for BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Global Allocation V.I. Fund, BlackRock High Yield V.I. Fund, BlackRock International Index V.I. Fund, BlackRock International V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Small Cap Index V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund (the “Funds”), each a series of Variable Series Funds or Variable Series Funds II, as applicable, which is reasonably designed to assess and manage each Fund’s liquidity risk.

The Board of Directors (the “Board”) of Variable Series Funds, on behalf of BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Global Allocation V.I. Fund, BlackRock International Index V.I. Fund, BlackRock International V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Small Cap Index V.I. Fund, met on November 8-9, 2022 and the Board of Directors of Variable Series Funds II, (together with the Board, the “Boards”), on behalf of BlackRock High Yield V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund, met on November 10-11, 2022 (the “Meetings”) to review the Program. The Boards previously appointed BlackRock Advisors, LLC or BlackRock Fund Advisors (“BlackRock”), each an investment adviser to certain BlackRock funds, as the program administrator for each Fund’s Program, as applicable. BlackRock also previously delegated oversight of the Program to the 40 Act Liquidity Risk Management Committee (the “Committee”). At the Meetings, the Committee, on behalf of BlackRock, provided the Boards with a report that addressed the operation of the Program and assessed its adequacy and effectiveness of implementation, including the management of each Fund’s Highly Liquid Investment Minimum (“HLIM”), where applicable, and any material changes to the Program (the “Report”). The Report covered the period from October 1, 2021 through September 30, 2022 (the “Program Reporting Period”).

The Report described the Program’s liquidity classification methodology for categorizing each Fund’s investments (including derivative transactions) into one of four liquidity buckets. It also referenced the methodology used by BlackRock to establish each Fund’s HLIM and noted that the Committee reviews and ratifies the HLIM assigned to each Fund no less frequently than annually. The Report also discussed notable events affecting liquidity over the Program Reporting Period, including the imposition of capital controls in certain countries.

The Report noted that the Program complied with the key factors for consideration under the Liquidity Rule for assessing, managing and periodically reviewing each Fund’s liquidity risk, as follows:

- a) ***The Fund’s investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed whether each Fund’s strategy is appropriate for an open-end fund structure with a focus on funds with more significant and consistent holdings of less liquid and illiquid assets. The Committee also factored a fund’s concentration in an issuer into the liquidity classification methodology by taking issuer position sizes into account. Where a fund participated in borrowings for investment purposes (such as tender option bonds or reverse repurchase agreements), such borrowings were factored into the Program’s calculation of a fund’s liquidity bucketing. A fund’s derivative exposure was also considered in such calculation.
- b) ***Short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions.*** During the Program Reporting Period, the Committee reviewed historical redemption activity and used this information as a component to establish each Fund’s reasonably anticipated trading size utilized for liquidity classifications. Each Fund has adopted an in-kind redemption policy which may be utilized to meet larger redemption requests. The Committee may also take into consideration a fund’s shareholder ownership concentration (which, depending on product type and distribution channel, may or may not be available), a fund’s distribution channels, and the degree of certainty associated with a fund’s short-term and long-term cash flow projections.
- c) ***Holdings of cash and cash equivalents, as well as borrowing arrangements.*** The Committee considered the terms of the credit facility committed to each Fund, the financial health of the institution providing the facility and the fact that the credit facility is shared among multiple funds (including that a portion of the aggregate commitment amount is specifically designated for BlackRock Floating Rate Income Portfolio, a series of BlackRock Funds V, and BlackRock Floating Rate Loan ETF, a series of BlackRock ETF Trust II). The Committee also considered other types of borrowing available to the funds, such as the ability to use reverse repurchase agreements and interfund lending, as applicable.

There were no material changes to the Program during the Program Reporting Period other than the enhancement of certain model components in the Program’s classification methodology. The Report provided to the Board stated that the Committee concluded that based on the operation of the functions, as described in the Report, the Program is operating as intended and is effective in implementing the requirements of the Liquidity Rule.

# Director and Officer Information

## BlackRock Variable Series Funds, Inc.

### Independent Directors <sup>(a)</sup>

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service) <sup>(c)</sup>	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
<b>Mark Stalnecker</b> 1951	Chair of the Board and Director (Since 2019)	Chief Investment Officer, University of Delaware from 1999 to 2013; Trustee and Chair of the Finance and Investment Committees, Winterthur Museum and Country Estate from 2005 to 2016; Member of the Investment Committee, Delaware Public Employees' Retirement System since 2002; Member of the Investment Committee, Christiana Care Health System from 2009 to 2017; Member of the Investment Committee, Delaware Community Foundation from 2013 to 2014; Director and Chair of the Audit Committee, SEI Private Trust Co. from 2001 to 2014.	28 RICs consisting of 164 Portfolios	None
<b>Susan J. Carter</b> 1956	Director (Since 2019)	Trustee, Financial Accounting Foundation from 2017 to 2021; Advisory Board Member, Center for Private Equity and Entrepreneurship at Tuck School of Business from 1997 to 2021; Director, Pacific Pension Institute from 2014 to 2018; Senior Advisor, Commonfund Capital, Inc. ("CCI") (investment adviser) in 2015; Chief Executive Officer, CCI from 2013 to 2014; President & Chief Executive Officer, CCI from 1997 to 2013; Advisory Board Member, Girls Who Invest from 2015 to 2018 and Board Member thereof since 2018; Advisory Board Member, Bridges Fund Management since 2016; Practitioner Advisory Board Member, Private Capital Research Institute ("PCR") since 2017; Lecturer in the Practice of Management, Yale School of Management since 2019; Advisor to Finance Committee, Altman Foundation since 2020; Investment Committee Member, Tostan since 2021.	28 RICs consisting of 164 Portfolios	None
<b>Collette Chilton</b> 1958	Director (Since 2019)	Chief Investment Officer, Williams College since 2006; Chief Investment Officer, Lucent Asset Management Corporation from 1998 to 2006; Director, Boys and Girls Club of Boston since 2017; Director, B1 Capital since 2018; Director, David and Lucile Packard Foundation since 2020.	28 RICs consisting of 164 Portfolios	None
<b>Neil A. Cotty</b> 1954	Director (Since 2019)	Bank of America Corporation from 1996 to 2015, serving in various senior finance leadership roles, including Chief Accounting Officer from 2009 to 2015, Chief Financial Officer of Global Banking, Markets and Wealth Management from 2008 to 2009, Chief Accounting Officer from 2004 to 2008, Chief Financial Officer of Consumer Bank from 2003 to 2004, Chief Financial Officer of Global Corporate Investment Bank from 1999 to 2002.	28 RICs consisting of 164 Portfolios	None
<b>Lena G. Goldberg</b> 1949	Director (Since 2016)	Director, Charles Stark Draper Laboratory, Inc. from 2013 to 2021; Senior Lecturer, Harvard Business School from 2008 to 2021; FMR LLC/Fidelity Investments (financial services) from 1996 to 2008, serving in various senior roles including Executive Vice President - Strategic Corporate Initiatives and Executive Vice President and General Counsel; Partner, Sullivan & Worcester LLP from 1985 to 1996 and Associate thereof from 1979 to 1985.	28 RICs consisting of 164 Portfolios	None
<b>Henry R. Keizer</b> 1956	Director (Since 2016)	Director, Park Indemnity Ltd. (captive insurer) since 2010; Director, MUFG Americas Holdings Corporation and MUFG Union Bank, N.A. (financial and bank holding company) from 2014 to 2016; Director, American Institute of Certified Public Accountants from 2009 to 2011; Director, KPMG LLP (audit, tax and advisory services) from 2004 to 2005 and 2010 to 2012; Director, KPMG International in 2012, Deputy Chairman and Chief Operating Officer thereof from 2010 to 2012 and U.S. Vice Chairman of Audit thereof from 2005 to 2010; Global Head of Audit, KPMGI (consortium of KPMG firms) from 2006 to 2010; Director, YMCA of Greater New York from 2006 to 2010.	28 RICs consisting of 164 Portfolios	Hertz Global Holdings (car rental) from 2015 to 2021; GrafTech International Ltd. (materials manufacturing); WABCO (commercial vehicle safety systems) from 2015 to 2020; Sealed Air Corp. (packaging) from 2015 to 2021
<b>Cynthia A. Montgomery</b> 1952	Director (Since 2019)	Professor, Harvard Business School since 1989.	28 RICs consisting of 164 Portfolios	None

Director and Officer Information (continued)

**Independent Directors** <sup>(a)</sup> (continued)

<b>Name Year of Birth <sup>(b)</sup></b>	<b>Position(s) Held (Length of Service) <sup>(c)</sup></b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen</b>	<b>Public Company and Other Investment Company Directorships Held During Past 5 Years</b>
<b>Donald C. Opatrny</b> 1952	Director (Since 2015)	Director, Athena Capital Advisors LLC (investment management firm) from 2013 to 2020; Trustee, Vice Chair, Member of the Executive Committee and Chair of the Investment Committee, Cornell University from 2004 to 2019; President and Trustee, the Center for the Arts, Jackson Hole from 2011 to 2018; Member of the Board and Investment Committee, University School from 2007 to 2018; Trustee, Artstor (a Mellon Foundation affiliate) from 2010 to 2015; Member of the Investment Committee, Mellon Foundation from 2009 to 2015; President, Trustee and Member of the Investment Committee, The Aldrich Contemporary Art Museum from 2007 to 2014; Trustee and Chair of the Investment Committee, Community Foundation of Jackson Hole since 2014; Member of Affordable Housing Supply Board of Jackson, Wyoming since 2017; Member, Investment Funds Committee, State of Wyoming since 2017; Trustee, Phoenix Art Museum since 2018; Trustee, Arizona Community Foundation and Member of Investment Committee since 2020.	28 RICs consisting of 164 Portfolios	None
<b>Joseph P. Platt</b> 1947	Director (Since 2019)	General Partner, Thorn Partners, LP (private investments) since 1998; Director, WQED Multi-Media (public broadcasting not-for-profit) since 2001; Chair, Basic Health International (non-profit) since 2015.	28 RICs consisting of 164 Portfolios	Greenlight Capital Re, Ltd. (reinsurance company); Consol Energy Inc.
<b>Kenneth L. Urish</b> 1951	Director (Since 2019)	Managing Partner, Urish Popeck & Co., LLC (certified public accountants and consultants) since 1976; Past-Chairman of the Professional Ethics Committee of the Pennsylvania Institute of Certified Public Accountants and Committee Member thereof since 2007; Member of External Advisory Board, The Pennsylvania State University Accounting Department since founding in 2001; Principal, UP Strategic Wealth Investment Advisors, LLC since 2013; Trustee, The Holy Family Institute from 2001 to 2010; President and Trustee, Pittsburgh Catholic Publishing Associates from 2003 to 2008; Director, Inter-Tel from 2006 to 2007; Member, Advisory Board, ESG Competent Boards since 2020.	28 RICs consisting of 164 Portfolios	None
<b>Claire A. Walton</b> 1957	Director (Since 2019)	Chief Operating Officer and Chief Financial Officer of Liberty Square Asset Management, LP from 1998 to 2015; General Partner of Neon Liberty Capital Management, LLC since 2003; Director, Boston Hedge Fund Group from 2009 to 2018; Director, Woodstock Ski Runners since 2013; Director, Massachusetts Council on Economic Education from 2013 to 2015.	28 RICs consisting of 164 Portfolios	None

Interested Directors <sup>(a)(d)</sup>

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service) <sup>(c)</sup>	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
Robert Fairbairn 1965	Director (Since 2015)	Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares® businesses from 2012 to 2016.	98 RICs consisting of 266 Portfolios	None
John M. Perlowski <sup>(e)</sup> 1964	Director (Since 2015); President and Chief Executive Officer (Since 2010)	Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009.	100 RICs consisting of 268 Portfolios	None

<sup>(a)</sup> The address of each Director is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

<sup>(b)</sup> Each Independent Director holds office until his or her successor is duly elected and qualifies or until his or her earlier death, resignation, retirement or removal as provided by the Company's by-laws or charter or statute, or until December 31 of the year in which he or she turns 75. Directors who are "interested persons," as defined in the 1940 Act, serve until their successor is duly elected and qualifies or until their earlier death, resignation, retirement or removal as provided by the Company's by-laws or statute, or until December 31 of the year in which they turn 72. The Board may determine to extend the terms of Independent Directors on a case-by-case basis, as appropriate.

<sup>(c)</sup> Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. In addition, effective January 1, 2019, three BlackRock Fund Complexes were realigned and consolidated into two BlackRock Fund Complexes. As a result, although the chart shows the year that each Independent Director joined the Board, certain Independent Directors first became members of the boards of other BlackRock-advised Funds, legacy MLIM funds or legacy BlackRock funds as follows: Susan J. Carter, 2016; Collette Chilton, 2015; Neil A. Cotty, 2016; Cynthia A. Montgomery, 1994; Joseph P. Platt, 1999; Mark Stalnecker, 2015; Kenneth L. Urish, 1999; Claire A. Walton, 2016.

<sup>(d)</sup> Mr. Fairbairn and Mr. Perlowski are both "interested persons," as defined in the 1940 Act, of the Company based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perlowski are also board members of the BlackRock Fixed-Income Complex.

<sup>(e)</sup> Mr. Perlowski is also a trustee of the BlackRock Credit Strategies Fund and BlackRock Private Investments Fund.

Director and Officer Information (continued)

**Officers Who Are Not Directors <sup>(a)</sup>**

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service)	Principal Occupation(s) During Past 5 Years
<b>Jennifer McGovern</b> 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
<b>Trent Walker</b> 1974	Chief Financial Officer (Since 2021)	Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds.
<b>Jay M. Fife</b> 1970	Treasurer (Since 2007)	Managing Director of BlackRock, Inc. since 2007.
<b>Charles Park</b> 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares <sup>®</sup> Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares <sup>®</sup> exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012.
<b>Lisa Belle</b> 1968	Anti-Money Laundering Compliance Officer (Since 2019)	Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012.
<b>Janey Ahn</b> 1975	Secretary (Since 2019)	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017.

<sup>(a)</sup> The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

<sup>(b)</sup> Officers of the Company serve at the pleasure of the Board.

Further information about the Company's Directors and Officers is available in the Company's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Effective December 31, 2022, Joseph P. Platt retired as a Director of the Company.
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# Director and Officer Information

## BlackRock Variable Series Funds II, Inc.

### Independent Directors <sup>(a)</sup>

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service) <sup>(c)</sup>	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
<b>R. Glenn Hubbard</b> 1958	Chair of the Board (Since 2022) Director (Since 2019)	Dean, Columbia Business School from 2004 to 2019; Faculty member, Columbia Business School since 1988.	70 RICs consisting of 102 Portfolios	ADP (data and information services) from 2004 to 2020; Metropolitan Life Insurance Company (insurance)
<b>W. Carl Kester<sup>(d)</sup></b> 1951	Vice Chair of the Board (Since 2022) Director (Since 2019)	George Fisher Baker Jr. Professor of Business Administration, Harvard Business School since 2008; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Unit, from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program from 1999 to 2005; Member of the faculty of Harvard Business School since 1981.	72 RICs consisting of 104 Portfolios	None
<b>Cynthia L. Egan</b> 1955	Director (Since 2019)	Advisor, U.S. Department of the Treasury from 2014 to 2015; President, Retirement Plan Services, for T. Rowe Price Group, Inc. from 2007 to 2012; executive positions within Fidelity Investments from 1989 to 2007.	70 RICs consisting of 102 Portfolios	Unum (insurance); The Hanover Insurance Group (Board Chair); Huntsman Corporation (Lead Independent Director and non Executive Vice Chair of the Board) (chemical products)
<b>Frank J. Fabozzi <sup>(d)</sup></b> 1948	Director (Since 2019)	Editor of The Journal of Portfolio Management since 1986; Professor of Finance, EDHEC Business School (France) from 2011 to 2022; Professor of Practice, Johns Hopkins University since 2021; Professor in the Practice of Finance, Yale University School of Management from 1994 to 2011 and currently a Teaching Fellow in Yale's Executive Programs; Visiting Professor, Rutgers University for the Spring 2019 semester; Visiting Professor, New York University for the 2019 academic year; Adjunct Professor of Finance, Carnegie Mellon University in fall 2020 semester.	72 RICs consisting of 104 Portfolios	None
<b>Lorenzo A. Flores</b> 1964	Director (Since 2021)	Vice Chairman, Kioxia, Inc. since 2019; Chief Financial Officer, Xilinx, Inc. from 2016 to 2019; Corporate Controller, Xilinx, Inc. from 2008 to 2016.	70 RICs consisting of 102 Portfolios	None
<b>Stayce D. Harris</b> 1959	Director (Since 2021)	Lieutenant General, Inspector General, Office of the Secretary of the United States Air Force from 2017 to 2019; Lieutenant General, Assistant Vice Chief of Staff and Director, Air Staff, United States Air Force from 2016 to 2017; Major General, Commander, 22nd Air Force, AFRC, Dobbins Air Reserve Base, Georgia from 2014 to 2016; Pilot, United Airlines from 1990 to 2020.	70 RICs consisting of 102 Portfolios	The Boeing Company (airplane manufacturer)
<b>J. Phillip Holloman</b> 1955	Director (Since 2021)	President and Chief Operating Officer, Cintas Corporation from 2008 to 2018.	70 RICs consisting of 102 Portfolios	PulteGroup, Inc. (home construction); Rockwell Automation Inc. (industrial automation)
<b>Catherine A. Lynch <sup>(d)</sup></b> 1961	Director (Since 2019)	Chief Executive Officer, Chief Investment Officer and various other positions, National Railroad Retirement Investment Trust from 2003 to 2016; Associate Vice President for Treasury Management, The George Washington University from 1999 to 2003; Assistant Treasurer, Episcopal Church of America from 1995 to 1999.	72 RICs consisting of 104 Portfolios	PennyMac Mortgage Investment Trust

Director and Officer Information (continued)

Interested Directors <sup>(a)(e)</sup>

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service) <sup>(c)</sup>	Principal Occupation(s) During Past 5 Years	Number of BlackRock-Advised Registered Investment Companies ("RICs") Consisting of Investment Portfolios ("Portfolios") Overseen	Public Company and Other Investment Company Directorships Held During Past 5 Years
Robert Fairbairn 1965	Director (Since 2015)	Vice Chairman of BlackRock, Inc. since 2019; Member of BlackRock's Global Executive and Global Operating Committees; Co-Chair of BlackRock's Human Capital Committee; Senior Managing Director of BlackRock, Inc. from 2010 to 2019; oversaw BlackRock's Strategic Partner Program and Strategic Product Management Group from 2012 to 2019; Member of the Board of Managers of BlackRock Investments, LLC from 2011 to 2018; Global Head of BlackRock's Retail and iShares® businesses from 2012 to 2016.	98 RICs consisting of 266 Portfolios	None
John M. Perlowski <sup>(d)</sup> 1964	Director (Since 2015); President and Chief Executive Officer (Since 2010)	Managing Director of BlackRock, Inc. since 2009; Head of BlackRock Global Accounting and Product Services since 2009; Advisory Director of Family Resource Network (charitable foundation) since 2009.	100 RICs consisting of 268 Portfolios	None

<sup>(a)</sup> The address of each Director is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

<sup>(b)</sup> Each Independent Director holds office until his or her successor is duly elected and qualifies or until his or her earlier death, resignation, retirement or removal as provided by the Company's by-laws or charter or statute, or until December 31 of the year in which he or she turns 75. Directors who are "interested persons," as defined in the Investment Company Act serve until their successor is duly elected and qualifies or until their earlier death, resignation, retirement or removal as provided by the Company's by-laws or statute, or until December 31 of the year in which they turn 72. The Board may determine to extend the terms of Independent Directors on a case-by-case basis, as appropriate.

<sup>(c)</sup> Following the combination of Merrill Lynch Investment Managers, L.P. ("MLIM") and BlackRock, Inc. in September 2006, the various legacy MLIM and legacy BlackRock fund boards were realigned and consolidated into three new fund boards in 2007. Certain Independent Directors first became members of the boards of other legacy MLIM or legacy BlackRock funds as follows: Frank J. Fabozzi, 1988; R. Glenn Hubbard, 2004; and W. Carl Kester, 1995. Certain other Independent Directors became members of the boards of the closed-end funds in the Fixed-Income Complex as follows: Cynthia L. Egan, 2016; and Catherine A. Lynch, 2016.

<sup>(d)</sup> Dr. Fabozzi, Dr. Kester, Ms. Lynch and Mr. Perlowski are also trustees of the BlackRock Credit Strategies Fund and BlackRock Private Investments Fund.

<sup>(e)</sup> Mr. Fairbairn and Mr. Perlowski are both "interested persons," as defined in the 1940 Act, of the Fund based on their positions with BlackRock, Inc. and its affiliates. Mr. Fairbairn and Mr. Perlowski are also board members of the BlackRock Multi-Asset Complex.

Director and Officer Information (continued)

**Officers Who Are Not Directors <sup>(a)</sup>**

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service)	Principal Occupation(s) During Past 5 Years
<b>Jennifer McGovern</b> 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
<b>Trent Walker</b> 1974	Chief Financial Officer (Since 2021)	Managing Director of BlackRock, Inc. since September 2019; Executive Vice President of PIMCO from 2016 to 2019; Senior Vice President of PIMCO from 2008 to 2015; Treasurer from 2013 to 2019 and Assistant Treasurer from 2007 to 2017 of PIMCO Funds, PIMCO Variable Insurance Trust, PIMCO ETF Trust, PIMCO Equity Series, PIMCO Equity Series VIT, PIMCO Managed Accounts Trust, 2 PIMCO-sponsored interval funds and 21 PIMCO-sponsored closed-end funds.
<b>Jay M. Fife</b> 1970	Treasurer (Since 2007)	Managing Director of BlackRock, Inc. since 2007.
<b>Charles Park</b> 1967	Chief Compliance Officer (Since 2014)	Anti-Money Laundering Compliance Officer for certain BlackRock-advised Funds from 2014 to 2015; Chief Compliance Officer of BlackRock Advisors, LLC and the BlackRock-advised Funds in the BlackRock Multi-Asset Complex and the BlackRock Fixed-Income Complex since 2014; Principal of and Chief Compliance Officer for iShares <sup>®</sup> Delaware Trust Sponsor LLC since 2012 and BlackRock Fund Advisors ("BFA") since 2006; Chief Compliance Officer for the BFA-advised iShares <sup>®</sup> exchange traded funds since 2006; Chief Compliance Officer for BlackRock Asset Management International Inc. since 2012.
<b>Lisa Belle</b> 1968	Anti-Money Laundering Compliance Officer (Since 2019)	Managing Director of BlackRock, Inc. since 2019; Global Financial Crime Head for Asset and Wealth Management of JP Morgan from 2013 to 2019; Managing Director of RBS Securities from 2012 to 2013; Head of Financial Crimes for Barclays Wealth Americas from 2010 to 2012.
<b>Janey Ahn</b> 1975	Secretary (Since 2019)	Managing Director of BlackRock, Inc. since 2018; Director of BlackRock, Inc. from 2009 to 2017.

<sup>(a)</sup> The address of each Officer is c/o BlackRock, Inc., 55 East 52nd Street, New York, New York 10055.

<sup>(b)</sup> Officers of the Company serve at the pleasure of the Board.

Further information about the Company's Directors and Officers is available in the Company's Statement of Additional Information, which can be obtained without charge by calling (800) 441-7762.

Effective May 31, 2022, Karen P. Robards retired as a Director of the Company.
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## Additional Information

### General Information

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at [blackrock.com](http://blackrock.com). Any reference to BlackRock's website in this report is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

### Householding

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

### Availability of Quarterly Schedule of Investments

The Funds (except BlackRock Government Money Market V.I. Fund) file their complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to their reports on Form N-PORT. The Funds' Forms N-PORT are available on the SEC's website at [sec.gov](http://sec.gov).

The BlackRock Government Money Market V.I. Fund files its complete schedule of portfolio holdings with the SEC each month on Form N-MFP. The Fund's reports on Form N-MFP are available on the SEC's website at [sec.gov](http://sec.gov). The Fund makes portfolio holdings available to shareholders on its website at [blackrock.com](http://blackrock.com).

### Availability of Proxy Voting Policies, Procedures and Voting Records

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities and information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available without charge, upon request (1) by calling (800) 441-7762; (2) on the BlackRock website at [blackrock.com/prospectus/insurance](http://blackrock.com/prospectus/insurance); and (3) on the SEC's website at [sec.gov](http://sec.gov).

### BlackRock's Mutual Fund Family

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

### Shareholder Privileges

#### Account Information

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

#### Automatic Investment Plans

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

#### Systematic Withdrawal Plans

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

#### Retirement Plans

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

## Additional Information (continued)

### BlackRock Privacy Principles

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

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

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

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

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

### Fund and Service Providers

#### Investment Adviser and Administrator

BlackRock Advisors, LLC  
Wilmington, DE 19809

#### Sub-Advisers

BlackRock International Limited <sup>(a)</sup>  
Edinburgh, EH3 8BL  
United Kingdom

BlackRock Asset Management  
North Asia Limited <sup>(b)</sup>  
Hong Kong

BlackRock (Singapore) Limited <sup>(c)</sup>  
079912 Singapore

#### Accounting Agent

JPMorgan Chase Bank, N.A.  
New York, NY 10179

#### Transfer Agent

BNY Mellon Investment Servicing (US) Inc.  
Wilmington, DE 19809

#### Custodians

JPMorgan Chase Bank, N.A. <sup>(d)</sup>  
New York, NY 10179

Brown Brothers Harriman & Co. <sup>(e)</sup>  
Boston, MA 02109

#### Independent Registered Public Accounting Firm

Deloitte & Touche LLP  
Boston, MA 02116

#### Distributor

BlackRock Investments, LLC  
New York, NY 10022

#### Legal Counsel

Sidley Austin LLP <sup>(f)</sup>  
New York, NY 10019

Willkie Farr & Gallagher LLP <sup>(g)</sup>  
New York, NY 10019

#### Address of the Funds

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>(a)</sup> For BlackRock High Yield V.I. Fund, BlackRock International V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund.

<sup>(b)</sup> For BlackRock Managed Volatility V.I. Fund.

<sup>(c)</sup> For BlackRock Global Allocation V.I. Fund, BlackRock Managed Volatility V.I. Fund and BlackRock Total Return V.I. Fund.

<sup>(d)</sup> For BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock High Yield V.I. Fund, BlackRock International Index V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund, BlackRock Small Cap Index V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund.

<sup>(e)</sup> For BlackRock Global Allocation V.I. Fund and BlackRock International V.I. Fund.

<sup>(f)</sup> For BlackRock 60/40 Target Allocation ETF V.I. Fund, BlackRock Advantage Large Cap Core V.I. Fund, BlackRock Advantage Large Cap Value V.I. Fund, BlackRock Advantage SMID Cap V.I. Fund, BlackRock Basic Value V.I. Fund, BlackRock Capital Appreciation V.I. Fund, BlackRock Equity Dividend V.I. Fund, BlackRock Global Allocation V.I. Fund, BlackRock Government Money Market V.I. Fund, BlackRock International V.I. Fund, BlackRock International Index V.I. Fund, BlackRock Large Cap Focus Growth V.I. Fund, BlackRock Managed Volatility V.I. Fund, BlackRock S&P 500 Index V.I. Fund and BlackRock Small Cap Index V.I. Fund.

<sup>(g)</sup> For BlackRock High Yield V.I. Fund, BlackRock Total Return V.I. Fund and BlackRock U.S. Government Bond V.I. Fund.

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This report is only for distribution to shareholders of the Funds of BlackRock Variable Series Funds, Inc. and BlackRock Variable Series Funds II, Inc. Past performance results shown in this report should not be considered a representation of future performance. Investment return and principal value of non-money market fund shares will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. You could lose money by investing in the Funds. Although BlackRock Government Money Market V.I. Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in BlackRock Government Money Market V.I. Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. BlackRock Government Money Market V.I. Fund's sponsor has no legal obligation to provide financial support to the Fund at any time. Performance data quoted represents past performance and does not guarantee future results. Total return information assumes reinvestment of all distributions. Current performance may be higher or lower than the performance data quoted. For current month-end performance information, call (800) 626-1960. BlackRock Government Money Market V.I. Fund's current 7-day yield more closely reflects the current earnings of the Fund than the total returns quoted. Statements and other information herein are as dated and are subject to change.

VS-12/22-AR

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