

Annual Report | December 31, 2020

WESTERN ASSET VARIABLE GLOBAL HIGH YIELD BOND PORTFOLIO

Beginning in or after January 2021, as permitted by regulations adopted by the Securities and Exchange Commission, your insurance company may no longer send you paper copies of the Fund's shareholder reports like this one by mail, unless you specifically request paper copies of the reports from the insurance company or your financial intermediary. Instead, the shareholder reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

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

You may elect to receive all future reports in paper free of charge. You can inform the insurance company that you wish to continue receiving paper copies of shareholder reports by following the instructions provided by them. Your election will apply to all Funds available under your contract with the insurance company.

Portfolio objective

The Portfolio seeks to maximize total return.

Letter from the president



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Dear Shareholder,

We are pleased to provide the annual report of Western Asset Variable Global High Yield Bond Portfolio for the twelve-month reporting period ended December 31, 2020. Please read on for a detailed look at prevailing economic and market conditions during the Portfolio's reporting period and to learn how those conditions have affected Portfolio performance.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices.

We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.leggmason.com. Here you can gain immediate access to market and investment information, including:

- Market insights and commentaries from our portfolio managers and
- A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,



Jane Trust, CFA
President and Chief Executive Officer

January 29, 2021

Portfolio overview

Q. What is the Portfolio's investment strategy?

A. The Portfolio seeks to maximize total return. The Portfolio invests primarily in high-yield fixed income securities issued by U.S. and foreign companies and foreign governments and their agencies and instrumentalities. Under normal market conditions, the Portfolio invests at least 80% of its assets in high-yield bonds. High-yield bonds are rated below investment grade (that is, securities rated below the Baa/BBB categories) or if unrated, securities we determined to be of comparable credit quality and are commonly referred to as "high yield" or "junk bonds". Under normal circumstances, the Portfolio will be invested in at least three countries (one of which may be the U.S.). The Portfolio may invest without limit in foreign securities denominated either in U.S. dollars or foreign currencies and may invest up to 35% of its assets in sovereign debt issued by emerging market governmental issuers. The Portfolio's investments may be of any maturity or durationⁱ.

Instead of, and/or in addition to, investing directly in particular securities, the Portfolio may use instruments such as derivatives and other synthetic instruments that are intended to provide economic exposure to the securities or the issuer or to be used as a hedging technique. The Portfolio may use one or more types of these instruments without limit. These instruments are taken into account when determining compliance with the Portfolio's 80% policy. The Portfolio may also engage in a variety of transactions using derivatives in order to change the investment characteristics of its portfolio (such as shortening or lengthening duration) and for other purposes.

At Western Asset Management Company, LLC ("Western Asset"), the Portfolio's subadviser, we utilize a fixed income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio management personnel, research analysts and an in-house economist. Under this team approach, management of client fixed income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization.

Q. What were the overall market conditions during the Portfolio's reporting period?

A. The global high-yield market posted positive results during the twelve-month reporting period ended December 31, 2020, but lagged U.S. Treasury securities. As was the case with the overall market, high-yield corporate bonds experienced periods of elevated volatility. This was driven by a number of factors, including extreme risk aversion as the COVID-19 pandemic escalated, sharply falling global growth, ongoing trade conflicts, and a number of geopolitical issues. However, the high-yield market generally outperformed in the latter stages of the reporting period, as continued monetary policy accommodation from the Federal Reserve Board (the "Fed")ⁱⁱ policy and news of effective COVID-19 vaccines triggered increased investor risk appetite.

All told, the Bloomberg Barclays Global High Yield Index (USD hedged) (the "Index")ⁱⁱⁱ returned 5.73% during the twelve-months reporting period ended December 31, 2020. Over the reporting period, as measured by the Index, BB-rated securities outperformed CCC-rated

Portfolio overview (cont'd)

bonds, as they returned 10.03% and 2.27%, respectively. Within the Index for the reporting period, the U.S. component returned 7.11%, whereas the European component (USD-hedged) and emerging market components returned 3.97% and 6.51%, respectively. For comparison purposes, the taxable bond market, as measured by the Bloomberg Barclays U.S. Universal Index^{iv}, returned 7.58% for the reporting period.

Q. How did we respond to these changing market conditions?

A. A number of adjustments were made to the Portfolio during the reporting period. We reduced our allocations to emerging markets and bank loans, while adding to our high-yield corporate bond exposure, as we found the latter to be more attractively valued. From a credit quality perspective, we increased the Portfolio's allocations to securities rated BB and B, while paring its exposure to lower-rated CCC securities. Looking at sector positioning, we added to the Portfolio's weightings in Consumer Discretionary, Consumer Staples and Industrials. In contracts, we reduced the Portfolio's exposures to Communication Services and Materials.

During the reporting period, Treasury futures, which were used to manage the Portfolio's duration and yield curve^v positioning, contributed to performance and euro futures detracted from its result.

Performance review

For the twelve months ended December 31, 2020, Class I shares of Western Asset Variable Global High Yield Bond Portfolio¹ returned 7.32%. The Portfolio's unmanaged benchmark, the Bloomberg Barclays Global High Yield Index (Hedged), returned 5.73% for the same period. The Lipper Variable High Yield Funds Category Average^{vi} returned 4.99% over the same time frame.

Performance Snapshot as of December 31, 2020 (unaudited)

	6 months	12 months
Western Asset Variable Global High Yield Bond Portfolio:		
Class I	10.20%	7.32%
Class II	10.06%	7.12%
Bloomberg Barclays Global High Yield Index (Hedged)	10.61%	5.73%
Lipper Variable High Yield Funds Category Average	10.10%	4.99%

The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Principal value, investment returns and yields will fluctuate and investors' shares, when redeemed, may be worth more or less than their original cost.

¹ The Portfolio is an underlying investment option of various variable annuity and variable life insurance products. The Portfolio's performance returns do not reflect the deduction of expenses imposed in connection with investing in variable annuity or variable life insurance contracts, such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the performance of the Portfolio. **Past performance is no guarantee of future results.**

All share class returns assume the reinvestment of all distributions at net asset value and the deduction of all Portfolio expenses. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

Portfolio performance figures reflect fee waivers and/or expense reimbursements, without which the performance would have been lower.

The 30-Day SEC Yields for the period ended December 31, 2020 for Class I and Class II shares were 3.36% and 3.10%, respectively. The 30-Day SEC Yield, calculated pursuant to the standard SEC formula, is based on the Portfolio's investments over an annualized trailing 30-day period, and not on the distributions paid by the Portfolio, which may differ.

Total Annual Operating Expenses (unaudited)

As of the Portfolio's current prospectus dated May 1, 2020, the gross total annual fund operating expense ratios for Class I and Class II shares were 0.83% and 1.08%, respectively.

Actual expenses may be higher. For example, expenses may be higher than those shown if average net assets decrease. Net assets are more likely to decrease and Portfolio expense ratios are more likely to increase when markets are volatile.

Effective January 1, 2021, the manager is permitted to recapture amounts waived and/or reimbursed to a class within two years after the fiscal year in which the manager earned the fee or incurred the expense if the class' total annual fund operating expenses have fallen to a level below the expense limitation ("expense cap") in effect at the time the fees were earned or the expenses incurred. In no case will the manager recapture any amount that would result, on any particular business day of the Portfolio, in the class' total annual fund operating expenses exceeding expense cap or any other lower limit then in effect.

Q. What were the leading contributions to performance?

A. The largest contributor to the Portfolio's relative performance during the reporting period was its quality biases. Having an underweight to securities rated CCC was beneficial, given their underperformance versus the benchmark. An opportunistic exposure to investment-grade corporate bonds was rewarded, as they outperformed the global high-yield market.

Security selection was also additive for performance overall. In particular, holdings in Industrials, Consumer Cyclical¹ and Capital Goods² added the most value. In terms of individual securities, initiating positions in Delta Air Lines, United Airlines and Global Air Lease after their spreads had significantly widened in March and April 2020 was beneficial, as their spreads meaningfully narrowed as the reporting period progressed. Elsewhere, an overweight to Teva Pharmaceutical contributed to performance as its fundamentals improved.

¹ Consumer Cyclical consists of the following industries: Automotive, Entertainment, Gaming, Home Construction, Lodging, Retailers, Restaurants, Textiles and other consumer services.

² Capital Goods consists of the following industries: Machine Tools, Industrial Machinery, Process Plant Equipment, Construction and Mining Equipment, Electrical Equipment, Textile Machinery, Printing & Packaging Machinery.

Portfolio overview (cont'd)

Having a longer duration than that of the benchmark was additive for returns, as rates moved lower across the yield curve. Finally, looking at sector positioning, moving from an underweight to an overweight in transportation (in Industrials sector) was a positive, as it rallied from depressed levels post March 2020.

Q. What were the leading detractors from performance?

A. The largest detractor from the Portfolio's relative performance during the reporting period was sector allocation. The largest headwind for returns was an overweight to the Energy sector, as it performed poorly given falling oil prices. An underweight to Communication Services was also detrimental as the sector outperformed over the reporting period.

An overweight to emerging markets was a negative for returns, as they lagged the benchmark over the reporting period as a whole.

From a security selection perspective, overweight positions in Occidental Petroleum and Oasis Petroleum were negative for results. Occidental Petroleum posted poor fundamental results and was downgraded to below investment-grade status during the reporting period. Its bond prices did improve toward the end of the period, but, all told, the overweight detracted from results. Additionally, the oil price war between Saudi Arabia and Russia earlier this year, along with the demand shock due to COVID-19, significantly affected the profitability of both issuers given the sharp decline in commodity prices.

Thank you for your investment in Western Asset Variable Global High Yield Bond Portfolio. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Portfolio's investment goals.

Sincerely,

Western Asset Management Company, LLC

January 20, 2021

RISKS: Investments in bonds are subject to interest rate and credit risks. As interest rates rise, bond prices fall, thereby reducing the value of the Portfolio's share price. High-yield bonds, commonly known as "junk" bonds, involve greater credit and liquidity risks than investment grade bonds. Investing in foreign securities is subject to certain risks not associated with domestic investing, such as currency fluctuations and social, political and economic uncertainties, which could increase volatility. These risks are magnified in emerging or developing markets. Emerging market countries tend to have economic, political, and legal systems that are less developed and are less stable than those of more developed countries. The Portfolio may use derivatives, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Portfolio performance. The use of leverage may increase volatility and possibility of loss. Please see the Portfolio's prospectus for a more complete discussion of these and other risks and the Portfolio's investment strategies.

Portfolio holdings and breakdowns are as of December 31, 2020 and are subject to change and may not be representative of the portfolio managers' current or future investments. Please refer to pages 11 through 28 for a list and percentage breakdown of the Portfolio's holdings.

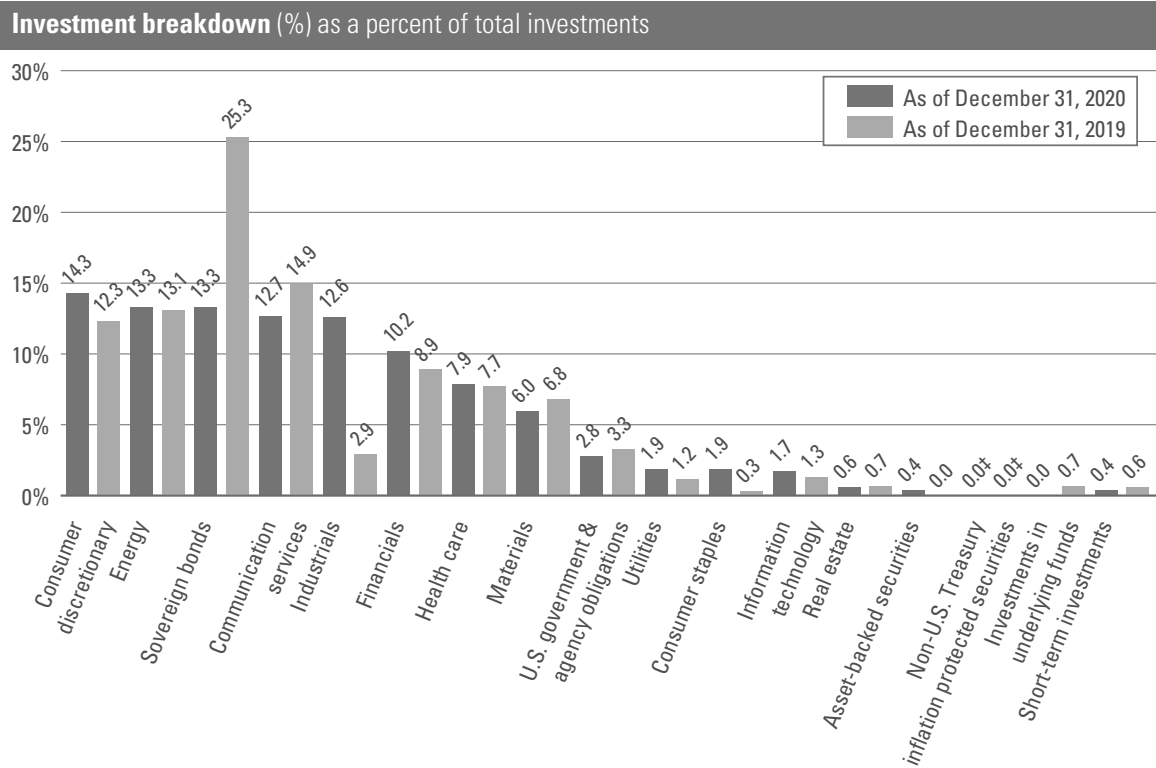
The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. Portfolio holdings are subject to change at any time and may not be representative of the portfolio managers' current or future investments. The Portfolio's top five sector holdings (as a percentage of net assets) as of December 31, 2020 were: Consumer Discretionary (13.9%), Energy (13.0%), Sovereign Bonds (13.0%), Communication Services (12.4%) and Industrials (12.3%). The Portfolio's composition is subject to change at any time.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole. Forecasts and predictions are inherently limited and should not be relied upon as an indication of actual or future performance.

- ⁱ Duration is the measure of the price sensitivity of a fixed income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- ⁱⁱ The Federal Reserve Board (the "Fed") is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- ⁱⁱⁱ The Bloomberg Barclays Global High Yield Index (Hedged) provides a broad-based measure of the global high-yield fixed income markets, representing the union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield and Pan European Emerging Markets High-Yield Indices.
- ^{iv} The Bloomberg Barclays U.S. Universal Index represents the union of the Bloomberg Barclays U.S. Aggregate Index, the Bloomberg Barclays U.S. Corporate High Yield Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index. The only constituent of the index that includes floating-rate debt is the Emerging Markets Index.
- ^v The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.
- ^{vi} Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the period ended December 31, 2020, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 102 funds for the six-month period and among the 102 funds for the twelve-month period in the Portfolio's Lipper category.

Portfolio at a glance[†] (unaudited)



† The bar graph above represents the composition of the Portfolio's investments as of December 31, 2020 and December 31, 2019 and does not include derivatives, such as futures contracts and forward foreign currency contracts. The Portfolio is actively managed. As a result, the composition of the Portfolio's investments is subject to change at any time.

‡ Represents less than 0.1%.

Portfolio expenses (unaudited)

Example

As a shareholder of the Portfolio, you may incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; service and/or distribution (12b-1) fees; and other Portfolio expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio and to compare these costs with the ongoing costs of investing in other funds.

This example is based on an investment of \$1,000 invested on July 1, 2020 and held for the six months ended December 31, 2020.

Actual expenses

The table below titled “Based on Actual Total Return” provides information about actual account values and actual expenses. You may use the information provided in this table, together with the amount you invested, to estimate the expenses that you paid over the period. To estimate the expenses you paid on your account, divide your ending account value by \$1,000 (for example, an \$8,600 ending account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading entitled “Expenses Paid During the Period”.

Based on actual total return ¹					Expenses Paid
	Actual Total Return ²	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	During the Period ³
Class I	10.20%	\$1,000.00	\$1,102.00	0.83%	\$4.39
Class II	10.06	1,000.00	1,100.60	1.09	5.76

Hypothetical example for comparison purposes

The table below titled “Based on Hypothetical Total Return” provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5.00% per year before expenses, which is not the Portfolio’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use the information provided in this table to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare the 5.00% hypothetical example relating to the Portfolio with the 5.00% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table below are meant to highlight your ongoing costs only and do not reflect any transactional costs. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher.

Based on hypothetical total return ¹					Expenses Paid
	Hypothetical Annualized Total Return	Beginning Account Value	Ending Account Value	Annualized Expense Ratio	During the Period ³
Class I	5.00%	\$1,000.00	\$1,020.96	0.83%	\$4.22
Class II	5.00	1,000.00	1,019.66	1.09	5.53

Portfolio expenses (unaudited) (cont'd)

- ¹ For the six months ended December 31, 2020.
- ² Assumes the reinvestment of all distributions, including returns of capital, if any, at net asset value. Total return is not annualized, as it may not be representative of the total return for the year. Total returns do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the total returns. Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results.
- ³ Expenses (net of compensating balance arrangements, fee waivers and/or expense reimbursements) are equal to each class' respective annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184), then divided by 366.

Portfolio performance (unaudited)

Average annual total returns¹

	Class I	Class II
Twelve Months Ended 12/31/20	7.32%	7.12%
Five Years Ended 12/31/20	8.18	7.92
Ten Years Ended 12/31/20	5.82	5.56

Cumulative total returns¹

Class I (12/31/10 through 12/31/20)	76.13%
Class II (12/31/10 through 12/31/20)	71.74

All figures represent past performance and are not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the total returns. Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower.

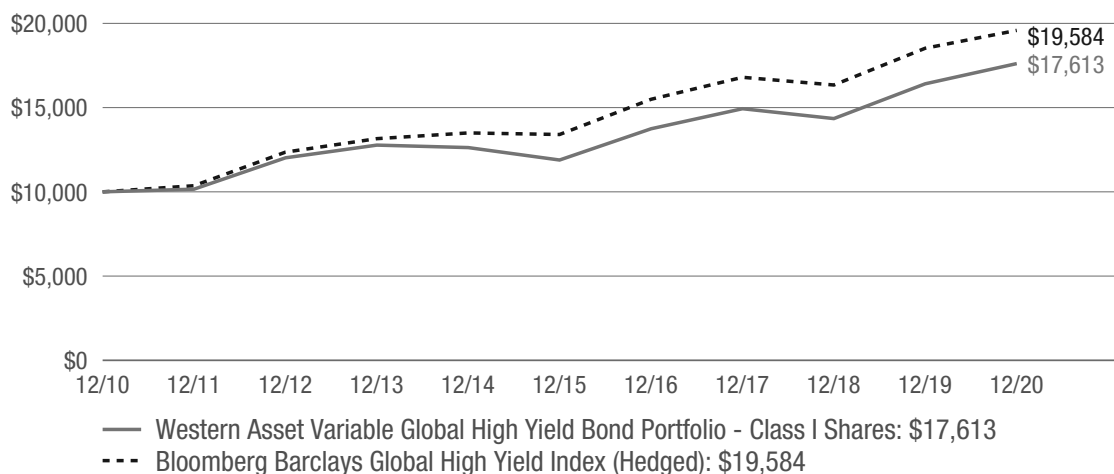
¹ Assumes the reinvestment of all distributions, including returns of capital, if any, at net asset value.

Portfolio performance (unaudited) (cont'd)

Historical performance

Value of \$10,000 invested in

Class I Shares of Western Asset Variable Global High Yield Bond Portfolio vs. Bloomberg Barclays Global High Yield Index (Hedged)[†] — December 2010 - December 2020



All figures represent past performance and are not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges, which, if reflected, would reduce the total returns. Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower.

[†] Hypothetical illustration of \$10,000 invested in Class I shares of Western Asset Variable Global High Yield Bond Portfolio on December 31, 2010, assuming the reinvestment of all distributions, including returns of capital, if any, at net asset value through December 31, 2020. The hypothetical illustration also assumes a \$10,000 investment in the Bloomberg Barclays Global High Yield Index (Hedged). The Bloomberg Barclays Global High Yield Index (Hedged) (the "Index") provides a broad-based measure of the global high-yield fixed income markets, representing the union of the U.S. High-Yield, Pan-European High-Yield, and Emerging Markets Hard Currency High-Yield Indices. The Index is unmanaged and not subject to the same management and trading expenses as a fund. Please note that an investor cannot invest directly in an index. The performance of the Portfolio's other class may be greater or less than the Class I shares' performance indicated on this chart, depending on whether greater or lesser fees were incurred by shareholders investing in the other class.

Schedule of investments

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
Corporate Bonds & Notes — 77.7%				
Communication Services — 11.6%				
<i>Diversified Telecommunication Services — 3.2%</i>				
Altice France Holding SA, Senior Secured Notes	10.500%	5/15/27	510,000	\$ 573,431 ^(a)
Altice France SA, Senior Secured Notes	7.375%	5/1/26	940,000	990,525 ^(a)
CenturyLink Inc., Senior Notes	4.500%	1/15/29	620,000	632,013 ^(a)
Cogent Communications Group Inc., Senior Secured Notes	5.375%	3/1/22	740,000	763,876 ^(a)
Frontier Communications Corp., Senior Secured Notes	5.875%	10/15/27	330,000	357,431 ^(a)
Frontier Communications Corp., Senior Secured Notes	5.000%	5/1/28	330,000	344,644 ^(a)
Telecom Italia SpA, Senior Notes	5.303%	5/30/24	390,000	424,720 ^(a)
Turk Telekomunikasyon AS, Senior Notes	6.875%	2/28/25	750,000	829,987 ^(a)
<i>Total Diversified Telecommunication Services</i>				4,916,627
<i>Entertainment — 0.1%</i>				
Netflix Inc., Senior Notes	5.875%	11/15/28	190,000	228,102
<i>Interactive Media & Services — 0.5%</i>				
Match Group Holdings II LLC, Senior Notes	5.000%	12/15/27	180,000	191,952 ^(a)
Twitter Inc., Senior Notes	3.875%	12/15/27	500,000	533,125 ^(a)
<i>Total Interactive Media & Services</i>				725,077
<i>Media — 6.0%</i>				
Arches Buyer Inc., Senior Secured Notes	4.250%	6/1/28	260,000	263,789 ^(a)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.125%	5/1/27	790,000	839,395 ^(a)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	5.000%	2/1/28	520,000	550,420 ^(a)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	4.500%	8/15/30	380,000	403,752 ^(a)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	4.250%	2/1/31	170,000	179,369 ^(a)
CCO Holdings LLC/CCO Holdings Capital Corp., Senior Notes	4.500%	5/1/32	2,670,000	2,854,150 ^(a)
DISH DBS Corp., Senior Notes	5.875%	11/15/24	280,000	294,000
DISH DBS Corp., Senior Notes	7.750%	7/1/26	590,000	661,552
Sirius XM Radio Inc., Senior Notes	4.125%	7/1/30	1,150,000	1,225,469 ^(a)
Summer BC Holdco B SARL, Senior Secured Notes	5.750%	10/31/26	330,000 ^{EUR}	426,365 ^(a)

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Media — continued</i>				
Univision Communications Inc., Senior Secured Notes	9.500%	5/1/25	450,000	\$ 502,875 ^(a)
Virgin Media Vendor Financing Notes IV DAC, Senior Notes	5.000%	7/15/28	1,000,000	1,041,000 ^(a)
<i>Total Media</i>				9,242,136
<i>Wireless Telecommunication Services — 1.8%</i>				
Crystal Almond SARL, Senior Secured Notes	4.250%	10/15/24	178,000 ^{EUR}	219,661 ^(a)
CSC Holdings LLC, Senior Notes	6.500%	2/1/29	570,000	644,627 ^(a)
Sprint Capital Corp., Senior Notes	6.875%	11/15/28	1,200,000	1,584,426
Sprint Corp., Senior Notes	7.875%	9/15/23	280,000	324,534
<i>Total Wireless Telecommunication Services</i>				2,773,248
Total Communication Services				17,885,190
Consumer Discretionary — 13.9%				
<i>Auto Components — 1.7%</i>				
Adient Global Holdings Ltd., Senior Notes	4.875%	8/15/26	410,000	421,788 ^(a)
Adient US LLC, Senior Secured Notes	7.000%	5/15/26	40,000	43,574 ^(a)
American Axle & Manufacturing Inc., Senior Notes	6.500%	4/1/27	750,000	790,312
JB Poindexter & Co. Inc., Senior Notes	7.125%	4/15/26	1,290,000	1,367,400 ^(a)
<i>Total Auto Components</i>				2,623,074
<i>Automobiles — 3.1%</i>				
Ford Motor Co., Senior Notes	8.500%	4/21/23	550,000	619,908
Ford Motor Co., Senior Notes	9.000%	4/22/25	470,000	576,829
Ford Motor Credit Co. LLC, Senior Notes	4.250%	9/20/22	280,000	289,464
Ford Motor Credit Co. LLC, Senior Notes	3.087%	1/9/23	670,000	682,944
Ford Motor Credit Co. LLC, Senior Notes	5.125%	6/16/25	370,000	402,763
Ford Motor Credit Co. LLC, Senior Notes	3.375%	11/13/25	770,000	792,030
Ford Motor Credit Co. LLC, Senior Notes	4.125%	8/17/27	200,000	209,750
Ford Motor Credit Co. LLC, Senior Notes	4.000%	11/13/30	800,000	841,000
Nissan Motor Co. Ltd., Senior Notes	4.810%	9/17/30	345,000	389,074 ^(a)
<i>Total Automobiles</i>				4,803,762
<i>Diversified Consumer Services — 0.7%</i>				
Carriage Services Inc., Senior Notes	6.625%	6/1/26	320,000	343,139 ^(a)
Prime Security Services Borrower LLC/ Prime Finance Inc., Senior Secured Notes	5.750%	4/15/26	420,000	460,425 ^(a)
Weight Watchers International Inc., Senior Notes	8.625%	12/1/25	190,000	198,147 ^(a)
<i>Total Diversified Consumer Services</i>				1,001,711

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Hotels, Restaurants & Leisure — 6.8%</i>				
1011778 BC ULC/New Red Finance Inc., Senior Secured Notes	5.750%	4/15/25	650,000	\$ 696,520 ^(a)
1011778 BC ULC/New Red Finance Inc., Senior Secured Notes	3.500%	2/15/29	460,000	460,287 ^(a)
Carnival Corp., Senior Notes	7.625%	3/1/26	240,000	261,928 ^(a)
Hilton Domestic Operating Co. Inc., Senior Notes	5.750%	5/1/28	200,000	217,875 ^(a)
IRB Holding Corp., Senior Secured Notes	7.000%	6/15/25	260,000	284,512 ^(a)
Marston's Issuer PLC, Secured Notes (3 mo. GBP LIBOR + 2.550%)	2.596%	7/16/35	853,000 ^{GBP}	661,572 ^{(b)(c)}
Melco Resorts Finance Ltd., Senior Notes	5.375%	12/4/29	380,000	395,941 ^(a)
NCL Corp. Ltd., Senior Secured Notes	12.250%	5/15/24	750,000	900,937 ^(a)
NCL Corp. Ltd., Senior Secured Notes	10.250%	2/1/26	520,000	609,700 ^(a)
Pinnacle Bidco PLC, Senior Secured Notes	6.375%	2/15/25	280,000 ^{GBP}	379,741 ^(a)
Pinnacle Bidco PLC, Senior Secured Notes	6.375%	2/15/25	150,000 ^{GBP}	203,433 ^(b)
Saga PLC, Senior Notes	3.375%	5/12/24	470,000 ^{GBP}	591,891 ^(b)
Viking Cruises Ltd., Senior Secured Notes	13.000%	5/15/25	200,000	239,375 ^(a)
VOC Escrow Ltd., Senior Secured Notes	5.000%	2/15/28	1,460,000	1,452,430 ^(a)
Wyndham Hotels & Resorts Inc., Senior Notes	4.375%	8/15/28	140,000	145,730 ^(a)
Wynn Macau Ltd., Senior Notes	5.500%	10/1/27	200,000	207,960 ^(a)
Wynn Macau Ltd., Senior Notes	5.625%	8/26/28	780,000	822,412 ^(a)
Wynn Macau Ltd., Senior Notes	5.125%	12/15/29	1,140,000	1,166,248 ^(a)
Wynn Resorts Finance LLC/Wynn Resorts Capital Corp., Senior Notes	7.750%	4/15/25	600,000	650,979 ^(a)
Yum! Brands Inc., Senior Notes	7.750%	4/1/25	140,000	155,225 ^(a)
<i>Total Hotels, Restaurants & Leisure</i>				<i>10,504,696</i>
<i>Specialty Retail — 1.0%</i>				
99 Escrow Issuer Inc., Senior Secured Notes	7.500%	1/15/26	90,000	89,663 ^(a)
L Brands Inc., Senior Secured Notes	6.875%	7/1/25	280,000	304,441 ^(a)
PetSmart Inc., Senior Secured Notes	5.875%	6/1/25	500,000	514,687 ^(a)
Tendam Brands SAU, Senior Secured Notes	5.000%	9/15/24	130,000 ^{EUR}	147,499 ^(a)
Tendam Brands SAU, Senior Secured Notes (3 mo. EURIBOR + 5.250%, 5.250% floor)	5.250%	9/15/24	360,000 ^{EUR}	410,108 ^{(a)(c)}
<i>Total Specialty Retail</i>				<i>1,466,398</i>

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Textiles, Apparel & Luxury Goods — 0.6%</i>				
Hanesbrands Inc., Senior Notes	4.875%	5/15/26	880,000	\$ 957,000 ^(a)
Total Consumer Discretionary				21,356,641
Consumer Staples — 1.8%				
<i>Beverages — 0.1%</i>				
Primo Water Holdings Inc., Senior Notes	3.875%	10/31/28	190,000 EUR	238,842 ^(a)
<i>Food Products — 1.5%</i>				
Kraft Heinz Foods Co., Senior Notes	3.875%	5/15/27	770,000	830,702 ^(a)
Kraft Heinz Foods Co., Senior Notes	4.625%	1/30/29	300,000	343,499
Kraft Heinz Foods Co., Senior Notes	4.250%	3/1/31	70,000	78,118 ^(a)
Kraft Heinz Foods Co., Senior Notes	7.125%	8/1/39	560,000	804,111 ^(a)
Kraft Heinz Foods Co., Senior Notes	5.200%	7/15/45	190,000	226,250
<i>Total Food Products</i>				<i>2,282,680</i>
<i>Household Products — 0.2%</i>				
Spectrum Brands Inc., Senior Notes	5.750%	7/15/25	250,000	258,463
Total Consumer Staples				2,779,985
Energy — 12.7%				
<i>Oil, Gas & Consumable Fuels — 12.7%</i>				
Apache Corp., Senior Notes	5.100%	9/1/40	250,000	267,031
Berry Petroleum Co. LLC, Senior Notes	7.000%	2/15/26	90,000	76,820 ^(a)
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	7.625%	12/15/25	520,000	555,100 ^(a)
Blue Racer Midstream LLC/Blue Racer Finance Corp., Senior Notes	6.625%	7/15/26	655,000	661,550 ^(a)
Cheniere Energy Inc., Senior Secured Notes	4.625%	10/15/28	220,000	231,275 ^(a)
Continental Resources Inc., Senior Notes	5.750%	1/15/31	390,000	433,623 ^(a)
EnLink Midstream LLC, Senior Notes	5.625%	1/15/28	220,000	224,994 ^(a)
EQM Midstream Partners LP, Senior Notes	6.000%	7/1/25	160,000	175,400 ^(a)
EQM Midstream Partners LP, Senior Notes	6.500%	7/1/27	150,000	169,118 ^(a)
EQT Corp., Senior Notes	3.000%	10/1/22	730,000	736,844
EQT Corp., Senior Notes	3.900%	10/1/27	1,090,000	1,084,904
EQT Corp., Senior Notes	5.000%	1/15/29	460,000	486,137
KazMunayGas National Co. JSC, Senior Notes	3.500%	4/14/33	340,000	372,269 ^(a)
MEG Energy Corp., Senior Notes	7.000%	3/31/24	213,000	215,663 ^(a)
Occidental Petroleum Corp., Senior Notes	6.625%	9/1/30	270,000	293,557
Occidental Petroleum Corp., Senior Notes	6.125%	1/1/31	500,000	536,350
PBF Holding Co. LLC/PBF Finance Corp., Senior Secured Notes	9.250%	5/15/25	170,000	167,845 ^(a)

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Oil, Gas & Consumable Fuels — continued</i>				
Petrobras Global Finance BV, Senior Notes	7.375%	1/17/27	870,000	\$ 1,078,443
Petrobras Global Finance BV, Senior Notes	5.750%	2/1/29	1,680,000	1,960,980
Petrobras Global Finance BV, Senior Notes	6.900%	3/19/49	340,000	431,800
Petroleos Mexicanos, Senior Notes	6.875%	8/4/26	400,000	437,600
Petroleos Mexicanos, Senior Notes	6.625%	6/15/35	2,050,000	2,032,688
Petroleos Mexicanos, Senior Notes	6.625%	6/15/38	700,000	675,150
Range Resources Corp., Senior Notes	5.000%	3/15/23	561,000	548,027
Range Resources Corp., Senior Notes	4.875%	5/15/25	870,000	823,425
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.875%	4/15/26	490,000	520,427
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	5.375%	2/1/27	200,000	210,537
Targa Resources Partners LP/Targa Resources Partners Finance Corp., Senior Notes	6.500%	7/15/27	70,000	76,125
Transportadora de Gas del Sur SA, Senior Notes	6.750%	5/2/25	1,110,000	1,021,211 ^(a)
Ultrapar International SA, Senior Notes	5.250%	10/6/26	480,000	535,714 ^(a)
Western Midstream Operating LP, Senior Notes	4.650%	7/1/26	620,000	652,172
Western Midstream Operating LP, Senior Notes	4.750%	8/15/28	400,000	417,000
Western Midstream Operating LP, Senior Notes	5.050%	2/1/30	30,000	33,634
Western Midstream Operating LP, Senior Notes	5.500%	8/15/48	90,000	88,793
YPF SA, Senior Notes	8.500%	3/23/21	600,000	574,500 ^(a)
YPF SA, Senior Notes	8.500%	7/28/25	200,000	154,250 ^(a)
YPF SA, Senior Notes	6.950%	7/21/27	890,000	644,137 ^(a)
Total Energy				19,605,093
Financials — 9.7%				
<i>Banks — 6.6%</i>				
Barclays PLC, Junior Subordinated Notes (8.000% to 6/15/24 then 5 year Treasury Constant Maturity Rate + 5.672%)	8.000%	6/15/24	380,000	423,893 ^{(c)(d)}
Barclays PLC, Subordinated Notes (5.088% to 6/20/29 then 3 mo. USD LIBOR + 3.054%)	5.088%	6/20/30	370,000	444,159 ^(c)

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Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Banks — continued</i>				
BBVA Bancomer SA, Subordinated Notes (5.125% to 1/17/28 then 5 year Treasury Constant Maturity Rate + 2.650%)	5.125%	1/18/33	2,340,000	\$ 2,524,860 (a)(c)
HSBC Holdings PLC, Junior Subordinated Notes (6.000% to 5/22/27 then USD 5 year ICE Swap Rate + 3.746%)	6.000%	5/22/27	400,000	436,500 (c)(d)
Intesa Sanpaolo SpA, Subordinated Notes	5.017%	6/26/24	700,000	766,223 (a)
Intesa Sanpaolo SpA, Subordinated Notes	5.710%	1/15/26	620,000	710,119 (a)
Itau Unibanco Holding SA, Subordinated Notes	5.650%	3/19/22	720,000	754,207 (b)
Natwest Group PLC, Junior Subordinated Notes (8.625% to 8/15/21 then USD 5 year ICE Swap Rate + 7.598%)	8.625%	8/15/21	490,000	509,664 (c)(d)
Natwest Group PLC, Subordinated Notes	6.000%	12/19/23	720,000	823,202
NatWest Markets NV, Subordinated Notes	7.750%	5/15/23	160,000	181,146
Santander UK Group Holdings PLC, Junior Subordinated Notes (7.375% to 6/24/22 then GBP 5 year Swap Rate + 5.543%)	7.375%	6/24/22	660,000 GBP	945,503 (b)(c)(d)
TC Ziraat Bankasi AS, Senior Notes	5.125%	5/3/22	550,000	554,953 (a)
TC Ziraat Bankasi AS, Senior Notes	5.125%	9/29/23	260,000	260,862 (a)
UniCredit SpA, Subordinated Notes (7.296% to 4/2/29 then USD 5 year ICE Swap Rate + 4.914%)	7.296%	4/2/34	750,000	907,133 (a)(c)
<i>Total Banks</i>				10,242,424
<i>Capital Markets — 1.1%</i>				
Credit Suisse Group AG, Junior Subordinated Notes (7.250% to 9/12/25 then 5 year Treasury Constant Maturity Rate + 4.332%)	7.250%	9/12/25	500,000	562,965 (a)(c)(d)
Credit Suisse Group AG, Junior Subordinated Notes (7.500% to 7/17/23 then USD 5 year ICE Swap Rate + 4.600%)	7.500%	7/17/23	450,000	491,625 (a)(c)(d)
UBS Group AG, Junior Subordinated Notes (7.000% to 1/31/24 then USD 5 year ICE Swap Rate + 4.344%)	7.000%	1/31/24	540,000	592,350 (a)(c)(d)
<i>Total Capital Markets</i>				1,646,940
<i>Consumer Finance — 0.1%</i>				
Navient Corp., Senior Notes	6.750%	6/15/26	210,000	228,506
<i>Diversified Financial Services — 1.7%</i>				
AerCap Ireland Capital DAC/AerCap Global Aviation Trust, Senior Notes	4.625%	10/15/27	960,000	1,088,359

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Diversified Financial Services — continued</i>				
Global Aircraft Leasing Co. Ltd., Senior Notes (6.500% Cash or 7.250% PIK)	6.500%	9/15/24	1,357,550	\$ 1,215,007 ^{(a)(e)}
LHC3 PLC, Senior Secured Notes (4.125% Cash or 4.875% PIK)	4.125%	8/15/24	220,000 ^{EUR}	274,139 ^{(a)(e)}
<i>Total Diversified Financial Services</i>				2,577,505
<i>Mortgage Real Estate Investment Trusts (REITs) — 0.2%</i>				
Ladder Capital Finance Holdings LLLP/ Ladder Capital Finance Corp., Senior Notes	4.250%	2/1/27	340,000	334,900 ^(a)
Total Financials				15,030,275
Health Care — 7.7%				
<i>Health Care Providers & Services — 1.9%</i>				
Centene Corp., Senior Notes	5.375%	6/1/26	550,000	580,778 ^(a)
HCA Inc., Senior Notes	5.375%	2/1/25	10,000	11,260
HCA Inc., Senior Notes	5.375%	9/1/26	270,000	310,844
HCA Inc., Senior Notes	5.625%	9/1/28	130,000	153,631
Legacy LifePoint Health LLC, Senior Secured Notes	6.750%	4/15/25	200,000	215,262 ^(a)
Magellan Health Inc., Senior Notes	4.900%	9/22/24	930,000	982,215
Tenet Healthcare Corp., Senior Secured Notes	7.500%	4/1/25	450,000	492,262 ^(a)
Tenet Healthcare Corp., Senior Secured Notes	4.625%	6/15/28	220,000	230,862 ^(a)
<i>Total Health Care Providers & Services</i>				2,977,114
<i>Pharmaceuticals — 5.8%</i>				
Bausch Health Americas Inc., Senior Notes	9.250%	4/1/26	470,000	524,661 ^(a)
Bausch Health Cos. Inc., Senior Secured Notes	5.750%	8/15/27	450,000	483,469 ^(a)
Cheplapharm Arzneimittel GmbH, Senior Secured Notes	5.500%	1/15/28	560,000	585,900 ^(a)
Teva Pharmaceutical Finance Co. BV, Senior Notes	2.950%	12/18/22	910,000	909,431
Teva Pharmaceutical Finance Netherlands II BV, Senior Notes	1.125%	10/15/24	360,000 ^{EUR}	409,602 ^(b)
Teva Pharmaceutical Finance Netherlands III BV, Senior Notes	2.200%	7/21/21	740,000	739,538

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Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Pharmaceuticals — continued</i>				
Teva Pharmaceutical Finance Netherlands III BV, Senior Notes	2.800%	7/21/23	2,870,000	\$ 2,846,868
Teva Pharmaceutical Finance Netherlands III BV, Senior Notes	3.150%	10/1/26	2,490,000	2,398,206
<i>Total Pharmaceuticals</i>				<i>8,897,675</i>
Total Health Care				11,874,789
Industrials — 10.3%				
<i>Aerospace & Defense — 2.5%</i>				
Boeing Co., Senior Notes	3.250%	2/1/28	650,000	698,218
Boeing Co., Senior Notes	3.200%	3/1/29	1,190,000	1,257,083
BWX Technologies Inc., Senior Notes	4.125%	6/30/28	840,000	877,275 ^(a)
TransDigm Inc., Senior Secured Notes	8.000%	12/15/25	960,000	1,062,048 ^(a)
<i>Total Aerospace & Defense</i>				<i>3,894,624</i>
<i>Airlines — 5.2%</i>				
Delta Air Lines Inc., Senior Notes	3.400%	4/19/21	70,000	70,463
Delta Air Lines Inc., Senior Notes	3.625%	3/15/22	740,000	761,525
Delta Air Lines Inc., Senior Notes	3.800%	4/19/23	270,000	277,377
Delta Air Lines Inc., Senior Notes	2.900%	10/28/24	30,000	29,620
Delta Air Lines Inc., Senior Notes	7.375%	1/15/26	590,000	674,525
Delta Air Lines Inc., Senior Secured Notes	7.000%	5/1/25	1,300,000	1,502,056 ^(a)
Delta Air Lines Inc./SkyMiles IP Ltd., Senior Secured Notes	4.750%	10/20/28	210,000	229,473 ^(a)
Mileage Plus Holdings LLC/Mileage Plus Intellectual Property Assets Ltd., Senior Secured Notes	6.500%	6/20/27	570,000	613,819 ^(a)
Spirit Loyalty Cayman Ltd./Spirit IP Cayman Ltd., Senior Secured Notes	8.000%	9/20/25	1,730,000	1,946,250 ^(a)
United Airlines Holdings Inc., Senior Notes	4.250%	10/1/22	1,770,000	1,781,062
United Airlines Holdings Inc., Senior Notes	5.000%	2/1/24	180,000	178,987
<i>Total Airlines</i>				<i>8,065,157</i>
<i>Building Products — 0.2%</i>				
Cemex SAB de CV, Senior Secured Notes	5.700%	1/11/25	350,000	358,225 ^(b)
<i>Commercial Services & Supplies — 0.7%</i>				
GFL Environmental Inc., Senior Secured Notes	3.750%	8/1/25	640,000	657,200 ^(a)
GFL Environmental Inc., Senior Secured Notes	5.125%	12/15/26	350,000	372,785 ^(a)
<i>Total Commercial Services & Supplies</i>				<i>1,029,985</i>

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Machinery — 1.1%</i>				
ATS Automation Tooling Systems Inc., Senior Notes	4.125%	12/15/28	710,000	\$ 724,200 ^(a)
Clark Equipment Co., Senior Secured Notes	5.875%	6/1/25	420,000	444,412 ^(a)
Vertical Midco GmbH, Senior Secured Notes	4.375%	7/15/27	420,000 ^{EUR}	542,219 ^(a)
<i>Total Machinery</i>				1,710,831
<i>Trading Companies & Distributors — 0.6%</i>				
H&E Equipment Services Inc., Senior Notes	3.875%	12/15/28	500,000	505,975 ^(a)
United Rentals North America Inc., Senior Notes	4.875%	1/15/28	300,000	319,875
<i>Total Trading Companies & Distributors</i>				825,850
Total Industrials				15,884,672
Information Technology — 1.7%				
<i>Communications Equipment — 0.2%</i>				
CommScope Technologies LLC, Senior Notes	6.000%	6/15/25	346,000	354,252 ^(a)
<i>Internet Software & Services — 0.1%</i>				
IPD 3 BV, Senior Secured Notes	5.500%	12/1/25	100,000 ^{EUR}	126,441 ^(a)
<i>IT Services — 0.5%</i>				
CDW LLC/CDW Finance Corp., Senior Notes	4.250%	4/1/28	440,000	465,276
CDW LLC/CDW Finance Corp., Senior Notes	3.250%	2/15/29	370,000	377,751
<i>Total IT Services</i>				843,027
<i>Software — 0.7%</i>				
Fair Isaac Corp., Senior Notes	4.000%	6/15/28	510,000	537,731 ^(a)
Open Text Corp., Senior Notes	3.875%	2/15/28	170,000	177,093 ^(a)
Open Text Holdings Inc., Senior Notes	4.125%	2/15/30	300,000	319,692 ^(a)
<i>Total Software</i>				1,034,516
<i>Technology Hardware, Storage & Peripherals — 0.2%</i>				
Dell International LLC/EMC Corp., Senior Notes	7.125%	6/15/24	220,000	228,387 ^(a)
Total Information Technology				2,586,623
Materials — 5.8%				
<i>Chemicals — 0.3%</i>				
Braskem Netherlands Finance BV, Senior Notes	4.500%	1/10/28	500,000	526,975 ^(a)
<i>Construction Materials — 1.1%</i>				
Cemex SAB de CV, Senior Secured Notes	7.375%	6/5/27	730,000	831,653 ^(a)

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Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Construction Materials — continued</i>				
SRM Escrow Issuer LLC, Senior Secured Notes	6.000%	11/1/28	370,000	\$ 387,401 ^(a)
US Concrete Inc., Senior Notes	5.125%	3/1/29	480,000	495,300 ^(a)
<i>Total Construction Materials</i>				1,714,354
<i>Containers & Packaging — 2.8%</i>				
ARD Finance SA, Senior Secured Notes (6.500% Cash or 7.250% PIK)	6.500%	6/30/27	600,000	641,250 ^{(a)(e)}
Ardagh Packaging Finance PLC/Ardagh Holdings USA Inc., Senior Notes	6.000%	2/15/25	1,380,000	1,431,405 ^(a)
Ball Corp., Senior Notes	2.875%	8/15/30	1,400,000	1,398,250
Cascades Inc./Cascades USA Inc., Senior Notes	5.125%	1/15/26	10,000	10,594 ^(a)
Cascades Inc./Cascades USA Inc., Senior Notes	5.375%	1/15/28	110,000	117,115 ^(a)
Pactiv LLC, Senior Notes	7.950%	12/15/25	570,000	654,728
<i>Total Containers & Packaging</i>				4,253,342
<i>Metals & Mining — 0.8%</i>				
First Quantum Minerals Ltd., Senior Notes	6.875%	10/15/27	600,000	651,750 ^(a)
Freeport-McMoRan Inc., Senior Notes	3.875%	3/15/23	540,000	564,462
<i>Total Metals & Mining</i>				1,216,212
<i>Paper & Forest Products — 0.8%</i>				
Boise Cascade Co., Senior Notes	4.875%	7/1/30	780,000	845,812 ^(a)
Mercer International Inc., Senior Notes	7.375%	1/15/25	400,000	417,006
<i>Total Paper & Forest Products</i>				1,262,818
Total Materials				8,973,701
Real Estate — 0.6%				
<i>Equity Real Estate Investment Trusts (REITs) — 0.6%</i>				
CoreCivic Inc., Senior Notes	4.750%	10/15/27	160,000	142,600
ESH Hospitality Inc., Senior Notes	4.625%	10/1/27	410,000	420,763 ^(a)
Service Properties Trust, Senior Notes	5.500%	12/15/27	310,000	339,228
Total Real Estate				902,591
Utilities — 1.9%				
<i>Electric Utilities — 1.1%</i>				
NRG Energy Inc., Senior Notes	3.375%	2/15/29	150,000	153,851 ^(a)
NRG Energy Inc., Senior Notes	3.625%	2/15/31	430,000	443,190 ^(a)
Pampa Energia SA, Senior Notes	7.500%	1/24/27	230,000	202,026 ^(a)
Sensata Technologies Inc., Senior Notes	4.375%	2/15/30	810,000	873,282 ^(a)
<i>Total Electric Utilities</i>				1,672,349

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Independent Power and Renewable Electricity Producers — 0.8%</i>				
Listrindo Capital BV, Senior Notes	4.950%	9/14/26	350,000	\$ 365,750 ^(a)
Minejesa Capital BV, Senior Secured Notes	4.625%	8/10/30	770,000	831,646 ^(a)
<i>Total Independent Power and Renewable Electricity Producers</i>				<i>1,197,396</i>
Total Utilities				2,869,745
Total Corporate Bonds & Notes (Cost — \$109,814,938)				119,749,305
Sovereign Bonds — 13.0%				
<i>Argentina — 1.4%</i>				
Argentine Republic Government International Bond, Senior Notes	1.000%	7/9/29	193,002	84,103
Argentine Republic Government International Bond, Senior Notes	0.125%	7/9/30	1,043,917	424,874
Argentine Republic Government International Bond, Senior Notes	0.125%	7/9/35	2,309,180	847,469
Provincia de Buenos Aires, Senior Notes	9.950%	6/9/21	910,000	377,650 ^{*(a)(f)}
Provincia de Buenos Aires, Senior Notes	9.125%	3/16/24	890,000	372,687 ^{*(a)(f)}
<i>Total Argentina</i>				<i>2,106,783</i>
<i>Brazil — 1.4%</i>				
Brazil Notas do Tesouro Nacional Serie F, Notes	10.000%	1/1/23	525,000 ^{BRL}	111,656
Brazil Notas do Tesouro Nacional Serie F, Notes	10.000%	1/1/25	867,000 ^{BRL}	193,090
Brazil Notas do Tesouro Nacional Serie F, Notes	10.000%	1/1/27	246,000 ^{BRL}	55,955
Brazilian Government International Bond, Senior Notes	3.875%	6/12/30	1,650,000	1,743,637
<i>Total Brazil</i>				<i>2,104,338</i>
<i>Costa Rica — 0.2%</i>				
Costa Rica Government International Bond, Senior Notes	7.000%	4/4/44	350,000	323,753 ^(a)
<i>Dominican Republic — 0.6%</i>				
Dominican Republic International Bond, Senior Notes	5.500%	1/27/25	200,000	225,752 ^(a)
Dominican Republic International Bond, Senior Notes	6.850%	1/27/45	600,000	734,256 ^(a)
<i>Total Dominican Republic</i>				<i>960,008</i>
<i>Egypt — 0.6%</i>				
Egypt Government International Bond, Senior Notes	6.125%	1/31/22	240,000	250,954 ^(b)

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Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Egypt — continued</i>				
Egypt Government International Bond, Senior Notes	5.577%	2/21/23	400,000	\$ 423,343 ^(a)
Egypt Government International Bond, Senior Notes	7.600%	3/1/29	270,000	311,180 ^(a)
<i>Total Egypt</i>				<i>985,477</i>
<i>El Salvador — 0.2%</i>				
El Salvador Government International Bond, Senior Notes	6.375%	1/18/27	300,000	284,628 ^(a)
<i>Ghana — 0.6%</i>				
Ghana Government International Bond	10.750%	10/14/30	290,000	389,003 ^(a)
Ghana Government International Bond, Senior Notes	8.125%	3/26/32	430,000	456,555 ^(a)
<i>Total Ghana</i>				<i>845,558</i>
<i>Guatemala — 0.5%</i>				
Guatemala Government Bond, Senior Notes	4.375%	6/5/27	620,000	690,345 ^(a)
<i>Honduras — 0.5%</i>				
Honduras Government International Bond, Senior Notes	6.250%	1/19/27	700,000	813,750 ^(a)
<i>Indonesia — 0.8%</i>				
Indonesia Treasury Bond, Senior Notes	8.250%	7/15/21	2,465,000,000 ^{IDR}	179,936
Indonesia Treasury Bond, Senior Notes	7.000%	5/15/22	13,269,000,000 ^{IDR}	984,173
<i>Total Indonesia</i>				<i>1,164,109</i>
<i>Ivory Coast — 0.2%</i>				
Ivory Coast Government International Bond, Senior Notes	5.750%	12/31/32	141,389	142,895 ^(b)
Ivory Coast Government International Bond, Senior Notes	6.125%	6/15/33	200,000	225,900 ^(a)
<i>Total Ivory Coast</i>				<i>368,795</i>
<i>Jamaica — 0.3%</i>				
Jamaica Government International Bond, Senior Notes	6.750%	4/28/28	400,000	488,504
<i>Nigeria — 0.3%</i>				
Nigeria Government International Bond, Senior Notes	6.500%	11/28/27	260,000	280,806 ^(b)
Nigeria Government International Bond, Senior Notes	7.875%	2/16/32	200,000	220,536 ^(a)
<i>Total Nigeria</i>				<i>501,342</i>

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>Oman — 0.5%</i>				
Oman Government International Bond, Senior Notes	5.625%	1/17/28	800,000	\$ 818,077 ^(a)
<i>Paraguay — 0.6%</i>				
Paraguay Government International Bond, Senior Notes	5.000%	4/15/26	770,000	904,758 ^(a)
<i>Russia — 0.9%</i>				
Russian Federal Bond — OFZ	8.150%	2/3/27	34,070,000 RUB	524,058
Russian Federal Bond — OFZ	7.050%	1/19/28	60,273,000 RUB	880,781
<i>Total Russia</i>				1,404,839
<i>Senegal — 0.2%</i>				
Senegal Government International Bond, Senior Notes	6.250%	5/23/33	250,000	281,364 ^(a)
<i>South Africa — 0.6%</i>				
Republic of South Africa Government International Bond, Senior Notes	4.875%	4/14/26	550,000	602,918
Republic of South Africa Government International Bond, Senior Notes	5.650%	9/27/47	380,000	380,316
<i>Total South Africa</i>				983,234
<i>Turkey — 1.8%</i>				
Turkey Government International Bond, Senior Notes	4.250%	4/14/26	2,120,000	2,106,947
Turkey Government International Bond, Senior Notes	4.875%	10/9/26	700,000	709,542
<i>Total Turkey</i>				2,816,489
<i>Ukraine — 0.8%</i>				
Ukraine Government International Bond, Senior Notes	7.750%	9/1/24	250,000	278,551 ^(a)
Ukraine Government International Bond, Senior Notes	7.750%	9/1/26	200,000	226,375 ^(a)
Ukraine Government International Bond, Senior Notes	7.375%	9/25/32	600,000	661,125 ^(a)
<i>Total Ukraine</i>				1,166,051
Total Sovereign Bonds (Cost — \$19,584,566)				20,012,202
U.S. Government & Agency Obligations — 2.7%				
<i>U.S. Government Obligations — 2.7%</i>				
U.S. Treasury Notes	1.500%	1/31/27	900,000	954,141
U.S. Treasury Notes	0.500%	5/31/27	900,000	897,047
U.S. Treasury Notes	0.375%	7/31/27	700,000	690,894

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Security	Rate	Maturity Date	Face Amount†	Value
<i>U.S. Government Obligations — continued</i>				
U.S. Treasury Notes	0.625%	5/15/30	650,000	\$ 635,578
U.S. Treasury Notes	0.625%	8/15/30	1,000,000	975,156
Total U.S. Government & Agency Obligations (Cost — \$4,174,167)				4,152,816
Senior Loans — 2.0%				
Industrials — 2.0%				
<i>Airlines — 2.0%</i>				
Delta Air Lines Inc., Initial Term Loan (the greater of 3 mo. USD LIBOR or 1.000% + 4.750%)	5.750%	4/29/23	1,758,663	1,790,264 (c)(g)(h)(i)
Delta Air Lines Inc., Initial Term Loan (the greater of 3 mo. USD LIBOR or 1.000% + 3.750%)	4.750%	10/20/27	380,000	394,773 (c)(g)(h)
Jetblue Airways Corp., Term Loan (the greater of 3 mo. USD LIBOR or 1.000% + 5.250%)	6.250%	6/17/24	409,500	422,370 (c)(g)(h)
Mileage Plus Holdings LLC, Initial Term Loan (the greater of 3 mo. USD LIBOR or 1.000% + 5.250%)	6.250%	6/21/27	470,000	490,595 (c)(g)(h)
Total Senior Loans (Cost — \$2,971,335)				3,098,002
Convertible Bonds & Notes — 0.8%				
Communication Services — 0.8%				
<i>Media — 0.8%</i>				
DISH Network Corp., Senior Notes (Cost — \$1,255,854)	3.375%	8/15/26	1,320,000	1,261,566
Shares				
Common Stocks — 0.5%				
Communication Services — 0.0%††				
<i>Media — 0.0%††</i>				
New Cotai LLC/New Cotai Capital Corp., Class B Shares			2	0 *(j)(k)(l)
Consumer Discretionary — 0.0%††				
<i>Specialty Retail — 0.0%††</i>				
Party City Holdings Inc.			12,846	79,002 *(j)
Energy — 0.3%				
<i>Energy Equipment & Services — 0.0%††</i>				
Hercules Offshore Inc. (Escrow)			17,554	11,509 *(j)(k)
KCAD Holdings I Ltd.			75,024,286	0 *(j)(k)(l)
<i>Total Energy Equipment & Services</i>				<i>11,509</i>

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

Security		Shares		Value
<i>Oil, Gas & Consumable Fuels — 0.3%</i>				
Oasis Petroleum Inc.		11,403	\$	422,595 *
Total Energy				434,104
Financials — 0.2%				
<i>Banks — 0.2%</i>				
Wells Fargo & Co.		9,471		285,835
Total Common Stocks (Cost — \$3,012,293)				798,941
	Rate	Maturity Date	Face Amount†	
Asset-Backed Securities — 0.4%				
Magnetite XII Ltd., 2015-12A ER (3 mo. USD LIBOR + 5.680%) (Cost — \$590,287)	5.917%	10/15/31	600,000	590,363 (a)(c)
Non-U.S. Treasury Inflation Protected Securities — 0.0%††				
<i>Argentina — 0.0%††</i>				
Argentina Treasury Bond (Cost — \$20,353)	1.000%	8/5/21	3,041,221 ARS	21,390 (i)
Total Investments before Short-Term Investments (Cost — \$141,423,793)				149,684,585
		Shares		
Short-Term Investments — 0.5%				
Western Asset Premier Institutional Government Reserves, Premium Shares (Cost — \$670,225)	0.010%		670,225	670,225 (m)
Total Investments — 97.6% (Cost — \$142,094,018)				150,354,810
Other Assets in Excess of Liabilities — 2.4%				3,756,393
Total Net Assets — 100.0%				\$154,111,203

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

- † Face amount denominated in U.S. dollars, unless otherwise noted.
- †† Represents less than 0.1%.
- * Non-income producing security.
- (a) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees.
- (b) Security is exempt from registration under Regulation S of the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees.
- (c) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.
- (d) Security has no maturity date. The date shown represents the next call date.
- (e) Payment-in-kind security for which the issuer has the option at each interest payment date of making interest payments in cash or additional securities.
- (f) The coupon payment on this security is currently in default as of December 31, 2020.
- (g) Interest rates disclosed represent the effective rates on senior loans. Ranges in interest rates are attributable to multiple contracts under the same loan.
- (h) Senior loans may be considered restricted in that the Portfolio ordinarily is contractually obligated to receive approval from the agent bank and/or borrower prior to the disposition of a senior loan.
- (i) All or a portion of this loan is unfunded as of December 31, 2020. The interest rate for fully unfunded term loans is to be determined.
- (j) Security is valued in good faith in accordance with procedures approved by the Board of Trustees (Note 1).
- (k) Security is valued using significant unobservable inputs (Note 1).
- (l) Value is less than \$1.
- (m) In this instance, as defined in the Investment Company Act of 1940, an "Affiliated Company" represents Portfolio ownership of at least 5% of the outstanding voting securities of an issuer, or a company which is under common ownership or control with the Portfolio. At December 31, 2020, the total market value of investments in Affiliated Companies was \$670,225 and the cost was \$670,225 (Note 8).

Abbreviation(s) used in this schedule:

ARS	—	Argentine Peso
BRL	—	Brazilian Real
EUR	—	Euro
EURIBOR	—	Euro Interbank Offered Rate
GBP	—	British Pound
ICE	—	Intercontinental Exchange
IDR	—	Indonesian Rupiah
JSC	—	Joint Stock Company
LIBOR	—	London Interbank Offered Rate
OFZ	—	Obligatsyi Federal'novo Zaima (Russian Federal Loan Obligation)
PIK	—	Payment-In-Kind
RUB	—	Russian Ruble
USD	—	United States Dollar

See Notes to Financial Statements.

Western Asset Variable Global High Yield Bond Portfolio

At December 31, 2020, the Portfolio had the following open futures contracts:

	Number of Contracts	Expiration Date	Notional Amount	Market Value	Unrealized Depreciation
Contracts to Sell:					
Euro	27	3/21	\$4,107,341	\$4,133,025	\$(25,684)

At December 31, 2020, the Portfolio had the following open forward foreign currency contracts:

Currency Purchased	Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
EUR 250,000	USD 294,821		BNP Paribas SA	1/19/21	\$ 10,736
EUR 250,000	USD 300,321		BNP Paribas SA	1/19/21	5,236
EUR 350,000	USD 413,620		BNP Paribas SA	1/19/21	14,161
EUR 700,000	USD 831,201		BNP Paribas SA	1/19/21	24,360
MXN 495,545	USD 21,782		BNP Paribas SA	1/19/21	3,067
USD 177,919	EUR 150,000		BNP Paribas SA	1/19/21	(5,415)
USD 248,118	EUR 210,000		BNP Paribas SA	1/19/21	(8,551)
USD 165,223	EUR 140,000		Citibank N.A.	1/19/21	(5,889)
EUR 300,000	USD 355,214		Goldman Sachs Group Inc.	1/19/21	11,455
USD 68,603	EUR 58,171		Goldman Sachs Group Inc.	1/19/21	(2,496)
USD 236,392	EUR 200,000		Goldman Sachs Group Inc.	1/19/21	(8,054)
USD 2,934,811	GBP 2,268,554		Goldman Sachs Group Inc.	1/19/21	(167,935)
Total					\$(129,325)

Abbreviation(s) used in this table:

EUR	—	Euro
GBP	—	British Pound
MXN	—	Mexican Peso
USD	—	United States Dollar

Summary of Investments by Country* (unaudited)

United States	51.2%
Brazil	4.9
Israel	4.9
Mexico	4.6
United Kingdom	3.6
Argentina	3.1
Turkey	3.0
Canada	2.6
Italy	1.9
Indonesia	1.6
Macau	1.5
Ireland	1.4
Cayman Islands	1.2

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2020

Western Asset Variable Global High Yield Bond Portfolio

Summary of Investments by Country* (unaudited) (cont'd)

Switzerland	1.1%
Luxembourg	1.1
Germany	1.0
Russia	0.9
Ukraine	0.8
France	0.7
Egypt	0.7
South Africa	0.7
Dominican Republic	0.6
Paraguay	0.6
Ghana	0.6
Oman	0.5
Honduras	0.5
Guatemala	0.5
Zambia	0.4
Spain	0.4
Nigeria	0.3
Jamaica	0.3
South Korea	0.3
Hong Kong	0.3
Japan	0.3
Kazakhstan	0.2
Ivory Coast	0.2
Costa Rica	0.2
Netherlands	0.2
El Salvador	0.2
Senegal	0.2
Jersey	0.2
Greece	0.1
Short-Term Investments	0.4
	100.0%

* As a percentage of total investments. Please note that the Portfolio holdings are as of December 31, 2020 and are subject to change.

See Notes to Financial Statements.

Statement of assets and liabilities

December 31, 2020

Assets:

Investments in unaffiliated securities, at value (Cost — \$141,423,793)	\$ 149,684,585
Investments in affiliated securities, at value (Cost — \$670,225)	670,225
Foreign currency, at value (Cost — \$825,514)	839,139
Cash	1,003,939
Interest receivable	1,876,932
Receivable for securities sold	1,092,869
Deposits with brokers for open futures contracts	110,033
Unrealized appreciation on forward foreign currency contracts	69,015
Receivable for Portfolio shares sold	58,780
Receivable from broker — net variation margin on open futures contracts	21,094
Security litigation proceeds receivable	100
Prepaid expenses	2,047
Total Assets	155,428,758

Liabilities:

Payable for securities purchased	768,076
Payable for Portfolio shares repurchased	205,404
Unrealized depreciation on forward foreign currency contracts	198,340
Investment management fee payable	90,182
Service and/or distribution fees payable	10,363
Trustees' fees payable	386
Accrued expenses	44,804
Total Liabilities	1,317,555

Total Net Assets **\$ 154,111,203**

Net Assets:

Par value (Note 7)	\$ 205
Paid-in capital in excess of par value	165,193,006
Total distributable earnings (loss)	(11,082,008)
Total Net Assets	\$ 154,111,203

Net Assets:

Class I	\$103,973,882
Class II	\$50,137,321

Shares Outstanding:

Class I	13,997,025
Class II	6,529,240

Net Asset Value:

Class I	\$7.43
Class II	\$7.68

See Notes to Financial Statements.

Statement of operations

For the Year Ended December 31, 2020

Investment Income:

Interest from unaffiliated investments	\$ 8,277,173
Interest from affiliated investments	4,119
Dividends	71,001
Less: Foreign taxes withheld	(16,026)
Total Investment Income	8,336,267

Expenses:

Investment management fee (Note 2)	1,018,478
Service and/or distribution fees (Notes 2 and 5)	107,445
Fund accounting fees	71,386
Shareholder reports	49,014
Audit and tax fees	41,563
Transfer agent fees (Note 5)	13,872
Custody fees	12,022
Legal fees	8,729
Trustees' fees	3,533
Insurance	2,791
Commitment fees (Note 9)	2,120
Interest expense	877
Miscellaneous expenses	4,828
Total Expenses	1,336,658
Less: Fee waivers and/or expense reimbursements (Notes 2 and 5)	(2,512)
Net Expenses	1,334,146
Net Investment Income	7,002,121

Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Forward Foreign Currency Contracts and Foreign Currency Transactions (Notes 1, 3 and 4):

Net Realized Gain (Loss) From:	
Investment transactions in unaffiliated securities	(4,561,533)
Futures contracts	(106,130)
Forward foreign currency contracts	(138,779)
Foreign currency transactions	6,754
Net Realized Loss	(4,799,688)
Change in Net Unrealized Appreciation (Depreciation) From:	
Investments in unaffiliated securities	7,688,097
Futures contracts	14,759
Forward foreign currency contracts	85,046
Foreign currencies	44,792
Change in Net Unrealized Appreciation (Depreciation)	7,832,694
Net Gain on Investments, Futures Contracts, Forward Foreign Currency Contracts and Foreign Currency Transactions	3,033,006
Increase in Net Assets From Operations	\$10,035,127

See Notes to Financial Statements.

Statements of changes in net assets

For the Years Ended December 31,	2020	2019
Operations:		
Net investment income	\$ 7,002,121	\$ 8,199,405
Net realized loss	(4,799,688)	(1,078,550)
Change in net unrealized appreciation (depreciation)	7,832,694	12,666,754
<i>Increase in Net Assets From Operations</i>	<i>10,035,127</i>	<i>19,787,609</i>
Distributions to Shareholders From (Notes 1 and 6):		
Total distributable earnings	(5,651,705)	(7,575,030)
Return of capital	(28,305)	—
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(5,680,010)</i>	<i>(7,575,030)</i>
Portfolio Share Transactions (Note 7):		
Net proceeds from sale of shares	40,201,240	24,188,216
Reinvestment of distributions	5,680,010	7,575,030
Cost of shares repurchased	(47,484,259)	(39,756,123)
<i>Decrease in Net Assets From Portfolio Share Transactions</i>	<i>(1,603,009)</i>	<i>(7,992,877)</i>
<i>Increase in Net Assets</i>	<i>2,752,108</i>	<i>4,219,702</i>
Net Assets:		
Beginning of year	151,359,095	147,139,393
End of year	\$154,111,203	\$151,359,095

See Notes to Financial Statements.

Financial highlights

For a share of each class of beneficial interest outstanding throughout each year ended December 31:					
Class I Shares ¹	2020	2019	2018	2017	2016
Net asset value, beginning of year	\$7.19	\$6.65	\$7.30	\$7.09	\$6.53
Income (loss) from operations:					
Net investment income	0.35	0.40	0.39	0.40	0.47
Net realized and unrealized gain (loss)	0.18	0.53	(0.66)	0.21	0.54
Total income (loss) from operations	0.53	0.93	(0.27)	0.61	1.01
Less distributions from:					
Net investment income	(0.29)	(0.39)	(0.38)	(0.40)	(0.45)
Return of capital	(0.00) ²	—	—	—	—
Total distributions	(0.29)	(0.39)	(0.38)	(0.40)	(0.45)
Net asset value, end of year	\$7.43	\$7.19	\$6.65	\$7.30	\$7.09
Total return³	7.32%	14.39%	(3.92)%	8.65%	15.60%
Net assets, end of year (millions)	\$104	\$109	\$118	\$144	\$138
Ratios to average net assets:					
Gross expenses	0.84%	0.83%	0.85%	0.82%	0.81%
Net expenses ⁴	0.84 ⁵	0.83 ⁵	0.85	0.82	0.81
Net investment income	4.89	5.56	5.37	5.34	6.77
Portfolio turnover rate	98%	78%	103%	112%	98%

¹ Per share amounts have been calculated using the average shares method.

² Amount represents less than \$0.005 per share.

³ Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Total returns do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total return for all periods shown. Past performance is no guarantee of future results.

⁴ As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I shares did not exceed 0.90%. This expense limitation arrangement cannot be terminated prior to December 31, 2022 without the Board of Trustees' consent. In addition, the manager has agreed to waive the Portfolio's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund.

⁵ Reflects fee waivers and/or expense reimbursements.

See Notes to Financial Statements.

For a share of each class of beneficial interest outstanding throughout each year ended December 31:

Class II Shares ¹	2020	2019	2018	2017	2016
Net asset value, beginning of year	\$7.43	\$6.86	\$7.52	\$7.29	\$6.70
Income (loss) from operations:					
Net investment income	0.34	0.39	0.38	0.39	0.47
Net realized and unrealized gain (loss)	0.19	0.56	(0.68)	0.22	0.55
Total income (loss) from operations	0.53	0.95	(0.30)	0.61	1.02
Less distributions from:					
Net investment income	(0.28)	(0.38)	(0.36)	(0.38)	(0.43)
Return of capital	(0.00) ²	—	—	—	—
Total distributions	(0.28)	(0.38)	(0.36)	(0.38)	(0.43)
Net asset value, end of year	\$7.68	\$7.43	\$6.86	\$7.52	\$7.29
Total return³	7.12%	14.01%	(4.16)%	8.43%	15.36%
Net assets, end of year (000s)	\$50,137	\$42,186	\$29,432	\$29,168	\$20,725
Ratios to average net assets:					
Gross expenses	1.10%	1.08%	1.11%	1.07%	1.06%
Net expenses ⁴	1.10 ⁵	1.08 ⁵	1.11	1.07	1.06
Net investment income	4.63	5.29	5.16	5.09	6.54
Portfolio turnover rate	98%	78%	103%	112%	98%

¹ Per share amounts have been calculated using the average shares method.

² Amount represents less than \$0.005 per share.

³ Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Total returns do not reflect expenses associated with separate accounts such as administrative fees, account charges and surrender charges which, if reflected, would reduce the total return for all periods shown. Past performance is no guarantee of future results.

⁴ As a result of an expense limitation arrangement, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class II shares did not exceed 1.15%. This expense limitation arrangement cannot be terminated prior to December 31, 2022 without the Board of Trustees' consent. In addition, the manager has agreed to waive the Portfolio's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund.

⁵ Reflects fee waivers and/or expense reimbursements.

See Notes to Financial Statements.

Notes to financial statements

1. Organization and significant accounting policies

Western Asset Variable Global High Yield Bond Portfolio (the “Portfolio”) is a separate diversified investment series of Legg Mason Partners Variable Income Trust (the “Trust”). The Trust, a Maryland statutory trust, is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company.

Shares of the Portfolio may only be purchased or redeemed through variable annuity contracts and variable life insurance policies offered by the separate accounts of participating insurance companies or through eligible pension or other qualified plans.

The following are significant accounting policies consistently followed by the Portfolio and are in conformity with U.S. generally accepted accounting principles (“GAAP”). Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through the date the financial statements were issued.

(a) Investment valuation. The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Portfolio holds securities or other assets that are denominated in a foreign currency, the Portfolio will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Portfolio calculates its net asset value, the Portfolio values these securities as determined in accordance with procedures approved by the Portfolio’s Board of Trustees.

The Board of Trustees is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the "Valuation Committee"). The Valuation Committee, pursuant to the policies adopted by the Board of Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the Portfolio's pricing policies, and reporting to the Board of Trustees. When determining the reliability of third party pricing information for investments owned by the Portfolio, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Trustees quarterly.

The Portfolio uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

Notes to financial statements (cont'd)

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

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

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Portfolio's assets and liabilities carried at fair value:

ASSETS				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Long-Term Investments†:				
Corporate Bonds & Notes	—	\$119,749,305	—	\$119,749,305
Sovereign Bonds	—	20,012,202	—	20,012,202
U.S. Government & Agency Obligations	—	4,152,816	—	4,152,816
Senior Loans	—	3,098,002	—	3,098,002
Convertible Bonds & Notes	—	1,261,566	—	1,261,566
Common Stocks:				
Communication Services	—	—	\$ 0*	0*
Consumer Discretionary	—	79,002	—	79,002
Energy	\$ 422,595	—	11,509	434,104
Financials	285,835	—	—	285,835
Asset-Backed Securities	—	590,363	—	590,363
Non-U.S. Treasury Inflation Protected Securities	—	21,390	—	21,390
Total Long-Term Investments	708,430	148,964,646	11,509	149,684,585
Short-Term Investments†	670,225	—	—	670,225
Total Investments	\$1,378,655	\$148,964,646	\$11,509	\$150,354,810
Other Financial Instruments:				
Forward Foreign Currency Contracts	—	\$ 69,015	—	\$ 69,015
Total	\$1,378,655	\$149,033,661	\$11,509	\$150,423,825

LIABILITIES

Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other Financial Instruments:				
Futures Contracts	\$ 25,684	—	—	\$ 25,684
Forward Foreign Currency Contracts	—	\$ 198,340	—	198,340
Total	\$ 25,684	\$ 198,340	—	\$ 224,024

† See Schedule of Investments for additional detailed categorizations.

* Amount represents less than \$1.

(b) Futures contracts. The Portfolio uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Portfolio is required to deposit cash or securities with a broker in an amount equal to a certain percentage of the contract amount. This is known as the “initial margin” and subsequent payments (“variation margin”) are made or received by the Portfolio each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. The daily changes in contract value are recorded as unrealized gains or losses in the Statement of Operations and the Portfolio recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. In addition, there is the risk that the Portfolio may not be able to enter into a closing transaction because of an illiquid secondary market.

(c) Forward foreign currency contracts. The Portfolio enters into a forward foreign currency contract to hedge against foreign currency exchange rate risk on its non-U.S. dollar denominated securities or to facilitate settlement of a foreign currency denominated portfolio transaction. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price with delivery and settlement at a future date. The contract is marked-to-market daily and the change in value is recorded by the Portfolio as an unrealized gain or loss. When a forward foreign currency contract is closed, through either delivery or offset by entering into another forward foreign currency contract, the Portfolio recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it is closed.

Forward foreign currency contracts involve elements of market risk in excess of the amounts reflected on the Statement of Assets and Liabilities. The Portfolio bears the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign currency

Notes to financial statements (cont'd)

contract. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

(d) Loan participations. The Portfolio may invest in loans arranged through private negotiation between one or more financial institutions. The Portfolio's investment in any such loan may be in the form of a participation in or an assignment of the loan. In connection with purchasing participations, the Portfolio generally will have no right to enforce compliance by the borrower with the terms of the loan agreement related to the loan, or any rights of off-set against the borrower and the Portfolio may not benefit directly from any collateral supporting the loan in which it has purchased the participation.

The Portfolio assumes the credit risk of the borrower, the lender that is selling the participation and any other persons interpositioned between the Portfolio and the borrower. In the event of the insolvency of the lender selling the participation, the Portfolio may be treated as a general creditor of the lender and may not benefit from any off-set between the lender and the borrower.

(e) Unfunded loan commitments. The Portfolio may enter into certain credit agreements where all or a portion of the total amount committed may be unfunded. The Portfolio is obligated to fund these commitments at the borrower's discretion. The commitments are disclosed in the accompanying Schedule of Investments. At December 31, 2020, the Portfolio had sufficient cash and/or securities to cover these commitments.

(f) Inflation-indexed bonds. Inflation-indexed bonds are fixed income securities whose principal value or interest rate is periodically adjusted according to the rate of inflation. As the index measuring inflation changes, the principal value or interest rate of inflation-indexed bonds will be adjusted accordingly. Inflation adjustments to the principal amount of inflation-indexed bonds are reflected as an increase or decrease to investment income on the Statement of Operations. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

(g) Foreign currency translation. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the respective dates of such transactions.

The Portfolio does not isolate that portion of the results of operations resulting from fluctuations in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, including gains and losses on forward foreign currency contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Portfolio's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, other than investments in securities, on the date of valuation, resulting from changes in exchange rates.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, the possibility of lower levels of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability.

(h) Credit and market risk. The Portfolio invests in high-yield and emerging market instruments that are subject to certain credit and market risks. The yields of high-yield and emerging market debt obligations reflect, among other things, perceived credit and market risks. The Portfolio's investments in securities rated below investment grade typically involve risks not associated with higher rated securities including, among others, greater risk related to timely and ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading. The consequences of political, social, economic or diplomatic changes may have disruptive effects on the market prices of investments held by the Portfolio. The Portfolio's investments in non-U.S. dollar denominated securities may also result in foreign currency losses caused by devaluations and exchange rate fluctuations.

(i) Foreign investment risks. The Portfolio's investments in foreign securities may involve risks not present in domestic investments. Since securities may be denominated in foreign currencies, may require settlement in foreign currencies or pay interest or dividends in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Portfolio. Foreign investments may also subject the Portfolio to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, all of which affect the market and/or credit risk of the investments.

(j) Counterparty risk and credit-risk-related contingent features of derivative instruments. The Portfolio may invest in certain securities or engage in other transactions where the Portfolio is exposed to counterparty credit risk in addition to broader market risks. The Portfolio may invest in securities of issuers, which may also be considered counterparties as trading partners in other transactions. This may increase the risk of loss in the event of default or bankruptcy by the counterparty or if the counterparty otherwise fails to meet its contractual obligations. The Portfolio's subadviser attempts to mitigate counterparty risk by (i) periodically assessing the creditworthiness of its trading partners, (ii)

Notes to financial statements (cont'd)

monitoring and/or limiting the amount of its net exposure to each individual counterparty based on its assessment and (iii) requiring collateral from the counterparty for certain transactions. Market events and changes in overall economic conditions may impact the assessment of such counterparty risk by the subadviser. In addition, declines in the values of underlying collateral received may expose the Portfolio to increased risk of loss.

With exchange traded and centrally cleared derivatives, there is less counterparty risk to the Portfolio since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Portfolio does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default of the clearing broker or clearinghouse.

The Portfolio has entered into master agreements, such as an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement, with certain of its derivative counterparties that govern over-the-counter ("OTC") derivatives and provide for general obligations, representations, agreements, collateral posting terms, netting provisions in the event of default or termination and credit related contingent features. The credit related contingent features include, but are not limited to, a percentage decrease in the Portfolio's net assets or net asset value per share over a specified period of time. If these credit related contingent features were triggered, the derivatives counterparty could terminate the positions and demand payment or require additional collateral.

Under an ISDA Master Agreement, the Portfolio may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. However, absent an event of default by the counterparty or a termination of the agreement, the terms of the ISDA Master Agreements do not result in an offset of reported amounts of financial assets and financial liabilities in the Statement of Assets and Liabilities across transactions between the Portfolio and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearinghouse for exchange traded derivatives while collateral terms are contract specific for OTC traded derivatives. Cash collateral that has been pledged to cover obligations of the Portfolio under derivative contracts, if any, will be reported separately in the Statement of Assets and Liabilities. Securities pledged as collateral, if any, for the same purpose are noted in the Schedule of Investments.

As of December 31, 2020, the Portfolio held forward foreign currency contracts with credit related contingent features which had a liability position of \$198,340. If a contingent

feature in the master agreements would have been triggered, the Portfolio would have been required to pay this amount to its derivatives counterparties.

(k) Security transactions and investment income. Security transactions are accounted for on a trade date basis. Interest income (including interest income from payment-in-kind securities), adjusted for amortization of premium and accretion of discount, is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date for dividends received in cash and/or securities. Foreign dividend income is recorded on the ex-dividend date or as soon as practicable after the Portfolio determines the existence of a dividend declaration after exercising reasonable due diligence. The cost of investments sold is determined by use of the specific identification method. To the extent any issuer defaults or a credit event occurs that impacts the issuer, the Portfolio may halt any additional interest income accruals and consider the realizability of interest accrued up to the date of default or credit event.

(l) Distributions to shareholders. Distributions from net investment income and distributions of net realized gains, if any, are declared at least annually. Distributions to shareholders of the Portfolio are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

(m) Share class accounting. Investment income, common expenses and realized/unrealized gains (losses) on investments are allocated to the various classes of the Portfolio on the basis of daily net assets of each class. Fees relating to a specific class are charged directly to that share class.

(n) Compensating balance arrangements. The Portfolio has an arrangement with its custodian bank whereby a portion of the custodian's fees is paid indirectly by credits earned on the Portfolio's cash on deposit with the bank.

(o) Federal and other taxes. It is the Portfolio's policy to comply with the federal income and excise tax requirements of the Internal Revenue Code of 1986 (the "Code"), as amended, applicable to regulated investment companies. Accordingly, the Portfolio intends to distribute its taxable income and net realized gains, if any, to shareholders in accordance with timing requirements imposed by the Code. Therefore, no federal or state income tax provision is required in the Portfolio's financial statements.

Management has analyzed the Portfolio's tax positions taken on income tax returns for all open tax years and has concluded that as of December 31, 2020, no provision for income tax is required in the Portfolio's financial statements. The Portfolio's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

Notes to financial statements (cont'd)

Under the applicable foreign tax laws, a withholding tax may be imposed on interest, dividends and capital gains at various rates. Realized gains upon disposition of securities issued in or by certain foreign countries are subject to capital gains tax imposed by those countries.

(p) Reclassification. GAAP requires that certain components of net assets be reclassified to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. During the current year, the Portfolio had no reclassifications.

2. Investment management agreement and other transactions with affiliates

Legg Mason Partners Fund Advisor, LLC ("LMPFA") is the Portfolio's investment manager. Western Asset Management Company, LLC ("Western Asset"), Western Asset Management Company Limited ("Western Asset London") and Western Asset Management Company Pte. Ltd. ("Western Asset Singapore") are the Portfolio's subadvisers. As of July 31, 2020, LMPFA, Western Asset, Western Asset London and Western Asset Singapore are indirect, wholly-owned subsidiaries of Franklin Resources, Inc. ("Franklin Resources"). Prior to July 31, 2020, LMPFA, Western Asset, Western Asset London and Western Asset Singapore were wholly-owned subsidiaries of Legg Mason, Inc. ("Legg Mason"). As of July 31, 2020, Legg Mason is a subsidiary of Franklin Resources.

Under the investment management agreement, the Portfolio pays an investment management fee, calculated daily and paid monthly, at an annual rate of 0.70% of the Portfolio's average daily net assets.

LMPFA provides administrative and certain oversight services to the Portfolio. LMPFA delegates to Western Asset the day-to-day portfolio management of the Portfolio. Western Asset London and Western Asset Singapore provide certain subadvisory services to the Portfolio relating to currency transactions and investments in non-U.S. dollar denominated securities and related foreign currency instruments. For its services, LMPFA pays Western Asset a fee monthly, at an annual rate equal to 70% of the net management fee it receives from the Portfolio. In turn, Western Asset pays Western Asset London and Western Asset Singapore a monthly subadvisory fee in an amount equal to 100% of the management fee paid to Western Asset on the assets that Western Asset allocates to each such non-U.S. subadviser to manage.

As a result of expense limitation arrangements between the Portfolio and LMPFA, the ratio of total annual fund operating expenses, other than interest, brokerage, taxes, extraordinary expenses and acquired fund fees and expenses, to average net assets of Class I and Class II shares did not exceed 0.90% and 1.15%, respectively. These expense limitation arrangements cannot be terminated prior to December 31, 2022 without the Board of Trustees' consent. In addition, the manager has agreed to waive the Portfolio's management fee to an extent sufficient to offset the net management fee payable in connection with any investment in an affiliated money market fund (the "affiliated money market fund waiver").

The affiliated money market fund waiver is not subject to the recapture provision discussed below.

During the year ended December 31, 2020, fees waived and/or expenses reimbursed amounted to \$2,512, which included an affiliated money market fund waiver of \$1,366.

LMPFA is permitted to recapture amounts waived and/or reimbursed to a class during the same fiscal year if the class' total annual fund operating expenses have fallen to a level below the expense limitation ("expense cap") in effect at the time the fees were earned or the expenses incurred. In no case will LMPFA recapture any amount that would result, on any particular business day of the Portfolio, in the class' total annual fund operating expenses exceeding the expense cap or any other lower limit then in effect.

Legg Mason Investor Services, LLC ("LMIS") serves as the Portfolio's sole and exclusive distributor. As of July 31, 2020, LMIS is an indirect, wholly-owned broker-dealer subsidiary of Franklin Resources. Prior to July 31, 2020, LMIS was a wholly-owned broker-dealer subsidiary of Legg Mason.

As of July 31, 2020, all officers and one Trustee of the Trust are employees of Franklin Resources or its affiliates and do not receive compensation from the Trust. Prior to July 31, 2020, all officers and one Trustee of the Trust were employees of Legg Mason and did not receive compensation from the Trust.

3. Investments

During the year ended December 31, 2020, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) and U.S. Government & Agency Obligations were as follows:

	Investments	U.S. Government & Agency Obligations
Purchases	\$120,408,863	\$17,558,137
Sales	123,240,647	18,517,696

At December 31, 2020, the aggregate cost of investments and the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Securities	\$142,205,149	\$12,139,727	\$(3,990,066)	\$8,149,661
Futures contracts	—	—	(25,684)	(25,684)
Forward foreign currency contracts	—	69,015	(198,340)	(129,325)

Notes to financial statements (cont'd)

4. Derivative instruments and hedging activities

Below is a table, grouped by derivative type, that provides information about the fair value and the location of derivatives within the Statement of Assets and Liabilities at December 31, 2020.

ASSET DERIVATIVES¹	
	Foreign Exchange Risk
Forward foreign currency contracts	\$69,015
LIABILITY DERIVATIVES¹	
	Foreign Exchange Risk
Futures contracts ²	\$ 25,684
Forward foreign currency contracts	198,340
Total	\$224,024

¹ Generally, the balance sheet location for asset derivatives is receivables/net unrealized appreciation and for liability derivatives is payables/net unrealized depreciation.

² Includes cumulative unrealized appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only variation margin is reported within the receivables and/or payables on the Statement of Assets and Liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Portfolio's Statement of Operations for the year ended December 31, 2020. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Portfolio's derivatives and hedging activities during the period.

AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED			
	Interest Rate Risk	Foreign Exchange Risk	Total
Futures contracts	\$194,626	\$(300,756)	\$(106,130)
Forward foreign currency contracts	—	(138,779)	(138,779)
Total	\$194,626	\$(439,535)	\$(244,909)

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED	
	Foreign Exchange Risk
Futures contracts	\$14,759
Forward foreign currency contracts	85,046
Total	\$99,805

During the year ended December 31, 2020, the volume of derivative activity for the Portfolio was as follows:

	Average Market Value
Futures contracts (to sell)	\$3,871,696
Forward foreign currency contracts (to buy)	811,738
Forward foreign currency contracts (to sell)	3,758,741

The following table presents the Portfolio's OTC derivative assets and liabilities by counterparty net of amounts available for offset under an ISDA Master Agreement and net of the related collateral pledged (received) by the Portfolio as of December 31, 2020.

Counterparty	Gross Assets Subject to Master Agreements ¹	Gross Liabilities Subject to Master Agreements ¹	Net Assets (Liabilities) Subject to Master Agreements	Collateral Pledged (Received)	Net Amount ²
BNP Paribas SA	\$57,560	\$ (13,966)	\$ 43,594	—	\$ 43,594
Citibank N.A.	—	(5,889)	(5,889)	—	(5,889)
Goldman Sachs Group Inc.	11,455	(178,485)	(167,030)	—	(167,030)
Total	\$69,015	\$(198,340)	\$(129,325)	—	\$(129,325)

¹ Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the Statement of Assets and Liabilities.

² Represents the net amount receivable (payable) from (to) the counterparty in the event of default.

5. Class specific expenses, waivers and/or expense reimbursements

The Portfolio has adopted a Rule 12b-1 shareholder services and distribution plan and under that plan the Portfolio pays service and/or distribution fees with respect to its Class II shares calculated at the annual rate of 0.25% of the average daily net assets of the class. Service and/or distribution fees are accrued daily and paid monthly.

For the year ended December 31, 2020, class specific expenses were as follows:

	Service and/or Distribution Fees	Transfer Agent Fees
Class I	—	\$ 8,639
Class II	\$107,445	5,233
Total	\$107,445	\$13,872

For the year ended December 31, 2020, waivers and/or expense reimbursements by class were as follows:

	Waivers/Expense Reimbursements
Class I	\$1,797
Class II	715
Total	\$2,512

Notes to financial statements (cont'd)

6. Distributions to shareholders by class

	Year Ended December 31, 2020	Year Ended December 31, 2019
Net Investment Income:		
Class I	\$3,949,951	\$5,648,206
Class II	1,701,754	1,926,824
Total	\$5,651,705	\$7,575,030
Return of Capital:		
Class I	\$ 19,782	—
Class II	8,523	—
Total	\$ 28,305	—

7. Shares of beneficial interest

At December 31, 2020, the Trust had an unlimited number of shares of beneficial interest authorized with a par value of \$0.00001 per share. The Portfolio has the ability to issue multiple classes of shares. Each class of shares represents an identical interest and has the same rights, except that each class bears certain direct expenses, including those specifically related to the distribution of its shares.

Transactions in shares of each class were as follows:

	Year Ended December 31, 2020		Year Ended December 31, 2019	
	Shares	Amount	Shares	Amount
Class I				
Shares sold	2,961,843	\$ 20,487,608	1,078,344	\$ 7,826,009
Shares issued on reinvestment	538,752	3,969,733	793,665	5,648,206
Shares repurchased	(4,677,419)	(32,859,673)	(4,407,011)	(31,991,035)
Net decrease	(1,176,824)	\$ (8,402,332)	(2,535,002)	\$(18,516,820)
Class II				
Shares sold	2,673,959	\$ 19,713,632	2,189,350	\$ 16,362,207
Shares issued on reinvestment	224,490	1,710,277	262,334	1,926,824
Shares repurchased	(2,046,988)	(14,624,586)	(1,065,940)	(7,765,088)
Net increase	851,461	\$ 6,799,323	1,385,744	\$ 10,523,943

8. Transactions with affiliated company

As defined by the 1940 Act, an affiliated company is one in which the Portfolio owns 5% or more of the outstanding voting securities, or a company which is under common ownership or control with the Portfolio. The following company was considered an affiliated company

for all or some portion of the year ended December 31, 2020. The following transactions were effected in such company for the year ended December 31, 2020.

	Affiliate Value at December 31, 2019	Purchased		Sold	
		Cost	Shares	Cost	Shares
Western Asset Premier Institutional Government Reserves, Premium Shares	\$956,511	\$68,989,760	68,989,760	\$69,276,046	69,276,046
(cont'd)	Realized Gain (Loss)	Interest Income	Net Increase (Decrease) in Unrealized Appreciation (Depreciation)	Affiliate Value at December 31, 2020	
Western Asset Premier Institutional Government Reserves, Premium Shares	—	\$4,119	—	\$670,225	

9. Redemption facility

The Portfolio and certain other participating funds within the Legg Mason Partners Income Trust, Legg Mason Partners Institutional Trust, Legg Mason Partners Variable Income Trust and Western Asset Funds, Inc. (the “Participating Funds”), have available an unsecured revolving credit facility (the “Redemption Facility”) from the lenders and The Bank of New York Mellon (“BNY Mellon”), as administrative agent for the lenders. The Redemption Facility is to be used for temporary or emergency purposes as an additional source of liquidity to fund redemptions of shares. Under the agreement, BNY Mellon provides a 364-day revolving credit facility, in the aggregate amount of \$485 million (prior to November 16, 2020, the aggregate amount was \$220 million for participating funds within the Legg Mason Partners Income Trust, Legg Mason Partners Institutional Trust and Legg Mason Partners Variable Income Trust). Unless renewed or otherwise terminated sooner in accordance with its terms, the agreement will terminate on November 15, 2021. Any borrowings under the Redemption Facility will bear interest at current market rates as set forth in the credit agreement. The annual commitment fee to maintain the Redemption Facility is 0.15% and is incurred on the unused portion of the facility; there is an annual upfront fee of 0.06% of the \$485 million Redemption Facility. These fees are allocated to all Participating Funds pro rata based on net assets. Prior to November 16, 2020, there was no upfront fee. For the year ended December 31, 2020, the Portfolio incurred a commitment fee in the amount of \$2,120. The Portfolio did not utilize the Redemption Facility during the year ended December 31, 2020.

Notes to financial statements (cont'd)

10. Income tax information and distributions to shareholders

The tax character of distributions paid during the fiscal years ended December 31, was as follows:

	2020	2019
Distributions paid from:		
Ordinary income	\$5,651,705	\$7,575,030
Tax return of capital	28,305	—
Total distributions paid	\$5,680,010	\$7,575,030

As of December 31, 2020, the components of distributable earnings (loss) on a tax basis were as follows:

Deferred capital losses*	\$ (18,957,792)
Other book/tax temporary differences ^(a)	(134,667)
Unrealized appreciation (depreciation) ^(b)	8,010,451
Total distributable earnings (loss) — net	\$(11,082,008)

* These capital losses have been deferred in the current year as either short-term or long-term losses. The losses will be deemed to occur on the first day of the next taxable year in the same character as they were originally deferred and will be available to offset future taxable capital gains.

^(a) Other book/tax temporary differences are attributable to the tax deferral of losses on straddles, the realization for tax purposes of unrealized gains (losses) on certain futures and foreign currency contracts, the deferral of certain late year losses for tax purposes, book/tax differences in the accrual of interest income on securities in default and book/tax differences in the timing of the deductibility of various expenses.

^(b) The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales and other book/tax basis adjustments.

11. Other matters

The outbreak of the respiratory illness COVID-19 (commonly referred to as “coronavirus”) has continued to rapidly spread around the world, causing considerable uncertainty for the global economy and financial markets. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. The COVID-19 pandemic could adversely affect the value and liquidity of the Portfolio’s investments, impair the Portfolio’s ability to satisfy redemption requests, and negatively impact the Portfolio’s performance. In addition, the outbreak of COVID-19, and measures taken to mitigate its effects, could result in disruptions to the services provided to the Portfolio by its service providers.

The Portfolio’s investments, payment obligations, and financing terms may be based on floating rates, such as the London Interbank Offered Rate, or “LIBOR,” which is the offered rate for short-term Eurodollar deposits between major international banks. Plans are underway to phase out the use of LIBOR by the end of 2021. In December 2020, the ICE Benchmark Administration, the administrator of LIBOR, announced that it had commenced a consultation to determine whether to extend publication of certain U.S. dollar LIBOR

settings (overnight and one-, three-, six- and twelve-month U.S. dollar LIBOR) to the end of June 2023. There remains uncertainty regarding the nature of any replacement rate and the impact of the transition from LIBOR on the Portfolio's transactions and the financial markets generally. As such, the potential effect of a transition away from LIBOR on the Portfolio or the Portfolio's investments cannot yet be determined.

12. Subsequent event

Effective January 1, 2021, LMPFA is permitted to recapture amounts waived and/or reimbursed to a class within two years after the fiscal year in which LMPFA earned the fee or incurred the expense if the class' total annual operating expenses have fallen to a level below the expense cap in effect at the time the fees were earned or the expenses incurred. In no case will LMPFA recapture any amount that would result, on any particular business day of the Portfolio, in the class' total annual operating expenses exceeding the expense cap or any other lower limit then in effect.

Effective February 5, 2021, the Portfolio's Redemption Facility was terminated and the Portfolio, together with the Participating Funds and other U.S. registered and foreign investment funds (collectively, the "Borrowers") managed by Franklin Resources, became borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (the "Global Credit Facility"). This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Unless renewed, the Global Credit Facility will terminate on February 4, 2022.

Under the terms of the Global Credit Facility, the Portfolio shall, in addition to interest charged on any borrowings made by the Portfolio and other costs incurred by the Portfolio, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility; there is no upfront fee.

Report of independent registered public accounting firm

To the Board of Trustees of Legg Mason Partners Variable Income Trust and Shareholders of Western Asset Variable Global High Yield Bond Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Western Asset Variable Global High Yield Bond Portfolio (one of the funds constituting Legg Mason Partners Variable Income Trust, referred to hereafter as the “Fund”) as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the four years in the period ended December 31, 2020 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the four years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Fund as of and for the year ended December 31, 2016 and the financial highlights for the year then ended (not presented herein, other than the financial highlights) were audited by other auditors whose report dated February 17, 2017 expressed an unqualified opinion on those financial statements and financial highlights.

Basis for Opinion

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

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian, agent banks and brokers; when replies were not received, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Baltimore, Maryland
February 25, 2021

We have served as the auditor of one or more investment companies in the Franklin Templeton Group of Funds since 1948.

Additional shareholder information (unaudited)

Results of special meeting of shareholders

On July 14, 2020 a special meeting of shareholders was held for the following purposes: 1) to approve a new management agreement between the Portfolio and its investment manager; and 2) to approve a new subadvisory agreement with respect to each of the Portfolio's subadvisers. The following table provides the number of votes cast for or against, as well as the number of abstentions and broker non-votes as to each matter voted on at the special meeting of shareholders. Each item voted on was approved.

Item Voted On	Voted For	Voted Against	Abstentions	Broker Non-Votes
To Approve a New Management Agreement with Legg Mason Partners Fund Advisor, LLC	113,091,592.836	1,667,823.578	7,477,814.842	0
To Approve a New Subadvisory Agreement with Western Asset Management Company, LLC	111,577,712.911	1,804,590.543	8,854,927.802	0
To approve a New Subadvisory Agreement with Western Asset Management Company Limited	111,901,549.762	1,476,102.495	8,859,578.998	0
To approve a New Subadvisory Agreement with Western Asset Management Company Pte. Ltd.	111,313,433.866	1,792,086.803	9,131,710.586	0

Statement regarding liquidity risk management program (unaudited)

As required by law, the fund has adopted and implemented a liquidity risk management program (the “Program”) that is designed to assess and manage liquidity risk. Liquidity risk is the risk that the fund could not meet requests to redeem its shares without significant dilution of remaining investors’ interests in the fund. Legg Mason Partners Fund Advisor, LLC (the “Manager”), the fund’s manager, is the administrator of the Program. The Manager has established a liquidity risk management committee (the “Committee”) to administer the Program on a day-to-day basis.

The Committee, on behalf of the Manager, provided the fund’s Board of Trustees with a report that addressed the operation of the Program, assessed its adequacy and effectiveness of implementation, including, if applicable, the operation of any highly liquid investment minimum (“HLIM”), and described any material changes that had been made to the Program or were recommended (the “Report”). The Report covered the period from December 1, 2018 through December 31, 2019 (the “Reporting Period”).

The Report confirmed that there were no material changes to the Program during the Reporting Period and that no changes were recommended.

The Report also confirmed that, throughout the Reporting Period, the Committee had monitored the fund’s portfolio liquidity and liquidity risk on an ongoing basis, as described in the Program and in Board reporting throughout the Reporting Period.

The Report discussed the Committee’s annual review of the Program, which addressed, among other things, the following elements of the Program:

Assessment, Management, and Periodic Review of Liquidity Risk. The Committee reviewed the fund’s investment strategy and liquidity of portfolio investments during both normal and reasonably foreseeable stressed conditions. The Committee noted that the fund’s investment strategy continues to be appropriate for an open-end fund, taking into account, among other things, whether and to what extent the fund held less liquid and illiquid assets and the extent to which any such investments affected the fund’s ability to meet redemption requests. In managing and reviewing the fund’s liquidity risk, the Committee also considered the extent to which the fund’s investment strategy involves a relatively concentrated portfolio or large positions in particular issuers, the extent to which the fund uses borrowing for investment purposes, and the extent to which the fund uses derivatives (including for hedging purposes). The Committee also reviewed the fund’s short-term and long-term cash flow projections during both normal and reasonably foreseeable stressed conditions. In assessing the fund’s cash flow projections, the Committee considered, among other factors, historical net redemption activity, redemption policies, ownership concentration, distribution channels, and the degree of certainty associated with the fund’s short-term and long-term cash flow projections. The Committee also considered the fund’s holdings of cash and cash equivalents, as well as borrowing arrangements and other

funding sources, including, if applicable, the fund's participation in a credit facility, as components of the fund's ability to meet redemption requests.

Liquidity Classification. The Committee reviewed the Program's liquidity classification methodology for categorizing the fund's investments into one of four liquidity buckets. In reviewing the fund's investments, the Committee considered, among other factors, whether trading varying portions of a position in a particular portfolio investment or asset class in sizes the fund would reasonably anticipate trading, would be reasonably expected to significantly affect liquidity.

Highly Liquid Investment Minimum. The Committee performed an analysis to determine whether the fund is required to maintain a Highly Liquid Investment Minimum, and determined that no such minimum is required because the fund primarily holds highly liquid investments.

Compliance with Limitation on Illiquid Investments. The Committee confirmed that during the Reporting Period, the fund did not acquire any illiquid investment such that, after the acquisition, the fund would have invested more than 15% of its assets in illiquid investments that are assets, in accordance with the Program and applicable SEC rules.

Redemptions in Kind. The Committee confirmed that no redemptions in-kind were effected by the fund during the Reporting Period.

The Report stated that the Committee concluded that the Program is reasonably designed and operated effectively to assess and manage the fund's liquidity risk throughout the Reporting Period.

Additional information (unaudited)

Information about Trustees and Officers

The business and affairs of Western Asset Variable Global High Yield Bond Portfolio (the “Portfolio”) are conducted by management under the supervision and subject to the direction of its Board of Trustees. The business address of each Trustee is c/o Jane Trust, Legg Mason, 100 International Drive, 11th Floor, Baltimore, Maryland 21202.

Information pertaining to the Trustees and officers of the Board is set forth below. The Statement of Additional Information includes additional information about Trustees and is available, without charge, upon request by calling the Portfolio at 1-877-721-1926.

Independent Trustees¹

Robert Abeles, Jr.

Year of birth	1945
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2013
Principal occupation(s) during the past five years	Board Member, Great Public Schools Now (since 2018); Senior Vice President Emeritus (since 2016) and formerly, Senior Vice President, Finance and Chief Financial Officer (2009 to 2016) at University of Southern California; Board Member, Excellent Education Development (since 2012)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	None

Jane F. Dasher

Year of birth	1949
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 1999
Principal occupation(s) during the past five years	Chief Financial Officer, Long Light Capital, LLC, formerly known as Korsant Partners, LLC (a family investment company) (since 1997)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director, Visual Kinematics, Inc. (since 2018)

Anita L. DeFrantz

Year of birth	1952
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 1998
Principal occupation(s) during the past five years	President of Tubman Truth Corp. (since 2015); President Emeritus (since 2015) and formerly, President (1987 to 2015) and Director (1990 to 2015) of LA84 (formerly Amateur Athletic Foundation of Los Angeles); Member (since 1986), Member of the Executive Board (since 2013) and Vice President (since 2017) of the International Olympic Committee
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	None

Independent Trustees† (cont'd)**Susan B. Kerley**

Year of birth	1951
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 1992
Principal occupation(s) during the past five years	Investment Consulting Partner, Strategic Management Advisors, LLC (investment consulting) (since 1990)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director and Trustee (since 1990) and Chairman (since 2017 and 2005 to 2012) of various series of MainStay Family of Funds (66 funds); formerly, Investment Company Institute (ICI) Board of Governors (2006 to 2014); ICI Executive Committee (2011 to 2014); Chairman of the Independent Directors Council (2012 to 2014)

Michael Larson*

Year of birth	1959
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2004
Principal occupation(s) during the past five years	Chief Investment Officer for William H. Gates III (since 1994) ⁴
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Republic Services, Inc. (since 2009); Fomento Economico Mexicano, SAB (since 2011); Ecolab Inc. (since 2012); formerly, AutoNation, Inc. (2010 to 2018)

Avedick B. Poladian

Year of birth	1951
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	Director and Advisor (since 2017) and former Executive Vice President and Chief Operating Officer (2002 to 2016) of Lowe Enterprises, Inc. (privately held real estate and hospitality firm); formerly, Partner, Arthur Andersen, LLP (1974 to 2002)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Occidental Petroleum Corporation (since 2008); California Resources Corporation (since 2014); and Public Storage (since 2010)

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Independent Trustees[†] (cont'd)

William E.B. Siart

Year of birth	1946
Position(s) with Fund	Trustee and Chairman of the Board
Term of office ¹ and length of time served ²	Since 1997 (Chairman of the Board since 2020)
Principal occupation(s) during the past five years	Chairman of Great Public Schools Now (since 2015); Chairman of Excellent Education Development (since 2000); formerly, Trustee of The Getty Trust (since 2005 to 2017); Chairman of Walt Disney Concert Hall, Inc. (1998 to 2006)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Member of Board of United States Golf Association, Executive Committee Member (since 2017); Trustee, University of Southern California (since 1994)

Jaynie Miller Studenmund

Year of birth	1954
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2004
Principal occupation(s) during the past five years	Corporate Board Member and Advisor (since 2004); formerly, Chief Operating Officer of Overture Services, Inc. (publicly traded internet company that created search engine marketing) (2001 to 2004); President and Chief Operating Officer, PayMyBills (internet innovator in bill presentment/payment space) (1999 to 2001); Executive vice president for consumer and business banking for three national financial institutions (1984 to 1997)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director of Pacific Premier Bancorp Inc. and Pacific Premier Bank (since 2019); Director of EXL (operations management and analytics company) (since 2018); Director of CoreLogic, Inc. (information, analytics and business services company) (since 2012); formerly, Director of Pinnacle Entertainment, Inc. (gaming and hospitality company) (2012 to 2018); Director of LifeLock, Inc. (identity theft protection company) (2015 to 2017); Director of Orbitz Worldwide, Inc. (online travel company) (2007 to 2014)

Peter J. Taylor

Year of birth	1958
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2019
Principal occupation(s) during the past five years	President, ECMC Foundation (nonprofit organization) (since 2014); formerly, Executive Vice President and Chief Financial Officer for University of California system (2009 to 2014)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Director of Pacific Mutual Holding Company ⁶ (since 2016); Member of the Board of Trustees of California State University system (since 2015); Ralph M. Parson Foundation (since 2015), Kaiser Family Foundation (since 2012), and Edison International (since 2011)

Interested Trustee

Ronald L. Olson⁶

Year of birth	1941
Position(s) with Fund	Trustee
Term of office ¹ and length of time served ²	Since 2005
Principal occupation(s) during the past five years	Partner of Munger, Tolles & Olson LLP (law partnership) (since 1968)
Number of funds in fund complex overseen by Trustee ³	57
Other Trusteeships held by Trustee during the past five years	Berkshire Hathaway, Inc. (since 1997)

Interested Trustee and Officer

Jane Trust, CFA⁷

Year of birth	1962
Position(s) with Fund	Trustee, President and Chief Executive Officer
Term of office ¹ and length of time served ²	Since 2015
Principal occupation(s) during the past five years	Senior Vice President, Fund Board Management, Franklin Templeton (since 2020); Officer and/or Trustee/Director of 147 funds associated with Legg Mason Partners Fund Advisor, LLC ("LMPFA") or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Managing Director (2018 to 2020) and Managing Director (2016 to 2018) of Legg Mason & Co., LLC ("Legg Mason & Co."); Senior Vice President of LMPFA (2015)
Number of funds in fund complex overseen by Trustee ³	145
Other Trusteeships held by Trustee during the past five years	None

Additional Officers

Ted P. Becker

Franklin Templeton
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1951
Position(s) with Fund	Chief Compliance Officer
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	Vice President, Global Compliance of Franklin Templeton (since 2020); Chief Compliance Officer of LMPFA (since 2006); Chief Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Director of Global Compliance at Legg Mason, Inc. (2006 to 2020); Managing Director of Compliance of Legg Mason & Co. (2005 to 2020)

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Additional Officers (cont'd)

Susan Kerr

Franklin Templeton
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1949
Position(s) with Fund	Chief Anti-Money Laundering Compliance Officer
Term of office ¹ and length of time served ²	Since 2013
Principal occupation(s) during the past five years	Senior Compliance Analyst, Franklin Templeton (since 2020); Chief Anti-Money Laundering Compliance Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2013) and Anti-Money Laundering Compliance Officer (since 2012), Senior Compliance Officer (since 2011) and Assistant Vice President (since 2010) of Legg Mason Investor Services, LLC ("LMIS"); formerly, Assistant Vice President of Legg Mason & Co. (2010 to 2020)

Jenna Bailey

Franklin Templeton
100 First Stamford Place, 5th Floor, Stamford, CT 06902

Year of birth	1978
Position(s) with Fund	Identity Theft Prevention Officer
Term of office ¹ and length of time served ²	Since 2015
Principal occupation(s) during the past five years	Senior Compliance Analyst of Franklin Templeton (since 2020); Identity Theft Prevention Officer of certain funds associated with Legg Mason & Co. or its affiliates (since 2015); formerly, Compliance Officer of Legg Mason & Co. (2013 to 2020); Assistant Vice President of Legg Mason & Co. (2011 to 2020)

Marc A. De Oliveira**

Franklin Templeton
100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1971
Position(s) with Fund	Secretary and Chief Legal Officer
Term of office ¹ and length of time served ²	Since 2020
Principal occupation(s) during the past five years	Associate General Counsel of Franklin Templeton (since 2020); Assistant Secretary of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Managing Director (2016 to 2020) and Associate General Counsel of Legg Mason & Co. (2005 to 2020)

Additional Officers (cont'd)

Thomas C. Mandia

Franklin Templeton
100 First Stamford Place, 6th Floor, Stamford, CT 06902

Year of birth	1962
Position(s) with Fund	Senior Vice President
Term of office ¹ and length of time served ²	Since 2020
Principal occupation(s) during the past five years	Senior Associate General Counsel of Franklin Templeton (since 2020); Secretary of LMPFA (since 2006); Assistant Secretary of certain funds associated with Legg Mason & Co. or its affiliates (since 2006); Secretary of LM Asset Services, LLC ("LMAS") (since 2002) and Legg Mason Fund Asset Management, Inc. ("LMFAM") (since 2013) (formerly registered investment advisers); formerly, Managing Director and Deputy General Counsel of Legg Mason & Co. (2005 to 2020)

Christopher Berarducci

Franklin Templeton
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1974
Position(s) with Fund	Treasurer and Principal Financial Officer
Term of office ¹ and length of time served ²	Since 2019
Principal occupation(s) during the past five years	Vice President, Fund Administration and Reporting, Franklin Templeton (since 2020); Treasurer (since 2010) and Principal Financial Officer (since 2019) of certain funds associated with Legg Mason & Co. or its affiliates; formerly, Managing Director (2020), Director (2015 to 2020), and Vice President (2011 to 2015) of Legg Mason & Co.

Jeanne M. Kelly

Franklin Templeton
620 Eighth Avenue, 47th Floor, New York, NY 10018

Year of birth	1951
Position(s) with Fund	Senior Vice President
Term of office ¹ and length of time served ²	Since 2007
Principal occupation(s) during the past five years	U.S. Fund Board Team Manager, Franklin Templeton (since 2020); Senior Vice President of certain funds associated with Legg Mason & Co. or its affiliates (since 2007); Senior Vice President of LMPFA (since 2006); President and Chief Executive Officer of LMAS and LMFAM (since 2015); formerly, Managing Director of Legg Mason & Co. (2005 to 2020); Senior Vice President of LMFAM (2013 to 2015)

† Trustees who are not "interested persons" of the Portfolio within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act").

* Effective March 6, 2020, Mr. Larson became a Trustee.

** Effective September 15, 2020, Mr. De Oliveira became Secretary and Chief Legal Officer.

¹ Each Trustee and officer serves until his or her respective successor has been duly elected and qualified or until his or her earlier death, resignation, retirement or removal.

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

- ² Indicates the earliest year in which the Trustee became a board member for a fund in the Legg Mason fund complex or the officer took such office.
- ³ Each board member also serves as a Director of Western Asset Investment Grade Income Fund Inc. and a Trustee of Western Asset Premier Bond Fund (closed-end investment companies), which are considered part of the same fund complex. Additionally, effective April 24, 2020, each board member serves as a Trustee of Western Asset Inflation-Linked Income Fund and Western Asset Inflation-Linked Opportunities & Income Fund, closed-end investment companies that are part of the same fund complex.
- ⁴ Mr. Larson is the chief investment officer for William H. Gates III and in that capacity oversees the investments of Mr. Gates and the investments of the Bill and Melinda Gates Foundation Trust (such combined investments are referred to as the "Accounts"). Since 1997, Western Asset has provided discretionary investment advice with respect to one or more Accounts.
- ⁵ Western Asset and its affiliates provide investment advisory services with respect to registered investment companies sponsored by an affiliate of Pacific Mutual Holding Company ("Pacific Holdings"). Affiliates of Pacific Holdings receive compensation from LMPFA or its affiliates for shareholder or distribution services provided with respect to registered investment companies for which Western Asset or its affiliates serve as investment adviser.
- ⁶ Mr. Olson is an "interested person" of the Portfolio, as defined in the 1940 Act, because his law firm has provided legal services to Western Asset.
- ⁷ Ms. Trust is an "interested person" of the Portfolio, as defined in the 1940 Act, because of her position with LMPFA and/or certain of its affiliates.

Important tax information (unaudited)

The following information is provided with respect to the distributions paid during the taxable year ended December 31, 2020:

Record date:	6/17/2020	12/10/2020
Payable date:	6/18/2020	12/11/2020
Ordinary Income:		
Dividends Qualifying for the Dividends Received Deduction for Corporations	0.55%	0.83%
Tax Return of Capital *	—	0.50%

* Expressed as a percentage of the cash distribution received.

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Western Asset Variable Global High Yield Bond Portfolio

Trustees

Robert Abeles, Jr.
Jane F. Dasher
Anita L. DeFrantz
Susan B. Kerley
Michael Larson*
Ronald L. Olson
Avedick B. Poladian
William E.B. Siart
Chairman
Jaynie M. Studenmund
Peter J. Taylor
Jane Trust

Investment manager

Legg Mason Partners Fund Advisor, LLC

Subadvisers

Western Asset Management Company, LLC
Western Asset Management Company Limited
Western Asset Management Company Pte. Ltd.

Distributor

Legg Mason Investor Services, LLC

Custodian

The Bank of New York Mellon

Transfer agent

BNY Mellon Investment Servicing (US) Inc.
4400 Computer Drive
Westborough, MA 01581

Independent registered public accounting firm

PricewaterhouseCoopers LLP
Baltimore, MD

* Effective March 6, 2020, Mr. Larson became a Trustee.

Western Asset Variable Global High Yield Bond Portfolio

The Portfolio is a separate investment series of Legg Mason Partners Variable Income Trust, a Maryland statutory trust.

Western Asset Variable Global High Yield Bond Portfolio
Legg Mason Funds
620 Eighth Avenue, 47th Floor
New York, NY 10018

The Portfolio files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Portfolio's Forms N-PORT are available on the SEC's website at www.sec.gov. To obtain information on Form N-PORT, shareholders can call the Portfolio at 1-877-721-1926.

Information on how the Portfolio voted proxies relating to portfolio securities during the prior 12-month period ended June 30th of each year and a description of the policies and procedures that the Portfolio uses to determine how to vote proxies related to portfolio transactions are available (1) without charge, upon request, by calling the Portfolio at 1-877-721-1926, (2) at www.leggmason.com/variablefunds and (3) on the SEC's website at www.sec.gov.

This report is submitted for the general information of the shareholders of Western Asset Variable Global High Yield Bond Portfolio. This report is not authorized for distribution to prospective investors in the Portfolio unless preceded or accompanied by a current prospectus.

Investors should consider the Portfolio's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other important information about the Portfolio. Please read the prospectus carefully before investing.

www.leggmason.com

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Member FINRA, SIPC

Legg Mason Funds Privacy and Security Notice

Your Privacy and the Security of Your Personal Information is Very Important to the Legg Mason Funds

This Privacy and Security Notice (the “Privacy Notice”) addresses the Legg Mason Funds’ privacy and data protection practices with respect to nonpublic personal information the Funds receive. The Legg Mason Funds include any funds sold by the Funds’ distributor, Legg Mason Investor Services, LLC, as well as Legg Mason-sponsored closed-end funds. The provisions of this Privacy Notice apply to your information both while you are a shareholder and after you are no longer invested with the Funds.

The Type of Nonpublic Personal Information the Funds Collect About You

The Funds collect and maintain nonpublic personal information about you in connection with your shareholder account. Such information may include, but is not limited to:

- Personal information included on applications or other forms;
- Account balances, transactions, and mutual fund holdings and positions;
- Bank account information, legal documents, and identity verification documentation;
- Online account access user IDs, passwords, security challenge question responses; and
- Information received from consumer reporting agencies regarding credit history and creditworthiness (such as the amount of an individual’s total debt, payment history, etc.).

How the Funds Use Nonpublic Personal Information About You

The Funds do not sell or share your nonpublic personal information with third parties or with affiliates for their marketing purposes, or with other financial institutions or affiliates for joint marketing purposes, unless you have authorized the Funds to do so. The Funds do not disclose any nonpublic personal information about you except as may be required to perform transactions or services you have authorized or as permitted or required by law.

The Funds may disclose information about you to:

- Employees, agents, and affiliates on a “need to know” basis to enable the Funds to conduct ordinary business, or to comply with obligations to government regulators;
- Service providers, including the Funds’ affiliates, who assist the Funds as part of the ordinary course of business (such as printing, mailing services, or processing or servicing your account with us) or otherwise perform services on the Funds’ behalf, including companies that may perform statistical analysis, market research and marketing services solely for the Funds;
- Permit access to transfer, whether in the United States or countries outside of the United States to such Funds’ employees, agents and affiliates and service providers as required to enable the Funds to conduct ordinary business, or to comply with obligations to government regulators;
- The Funds’ representatives such as legal counsel, accountants and auditors to enable the Funds to conduct ordinary business, or to comply with obligations to government regulators;
- Fiduciaries or representatives acting on your behalf, such as an IRA custodian or trustee of a grantor trust.

Legg Mason Funds Privacy and Security Notice (cont'd)

Except as otherwise permitted by applicable law, companies acting on the Funds' behalf, including those outside the United States, are contractually obligated to keep nonpublic personal information the Funds provide to them confidential and to use the information the Funds share only to provide the services the Funds ask them to perform. The Funds may disclose nonpublic personal information about you when necessary to enforce their rights or protect against fraud, or as permitted or required by applicable law, such as in connection with a law enforcement or regulatory request, subpoena, or similar legal process. In the event of a corporate action or in the event a Fund service provider changes, the Funds may be required to disclose your nonpublic personal information to third parties. While it is the Funds' practice to obtain protections for disclosed information in these types of transactions, the Funds cannot guarantee their privacy policy will remain unchanged.

Keeping You Informed of the Funds' Privacy and Security Practices

The Funds will notify you annually of their privacy policy as required by federal law. While the Funds reserve the right to modify this policy at any time they will notify you promptly if this privacy policy changes.

The Funds' Security Practices

The Funds maintain appropriate physical, electronic and procedural safeguards designed to guard your nonpublic personal information. The Funds' internal data security policies restrict access to your nonpublic personal information to authorized employees, who may use your nonpublic personal information for Fund business purposes only.

Although the Funds strive to protect your nonpublic personal information, they cannot ensure or warrant the security of any information you provide or transmit to them, and you do so at your own risk. In the event of a breach of the confidentiality or security of your nonpublic personal information, the Funds will attempt to notify you as necessary, so you can take appropriate protective steps. If you have consented to the Funds using electronic communications or electronic delivery of statements, they may notify you under such circumstances using the most current email address you have on record with them.

In order for the Funds to provide effective service to you, keeping your account information accurate is very important. If you believe that your account information is incomplete, not accurate or not current, if you have questions about the Funds' privacy practices, or our use of your nonpublic personal information, write the Funds using the contact information on your account statements, email the Funds by clicking on the Contact Us section of the Funds' website at www.leggmason.com, or contact the Fund at 1-877-721-1926.

Revised April 2018

Legg Mason California Consumer Privacy Act Policy

Although much of the personal information we collect is "nonpublic personal information" subject to federal law, residents of California may, in certain circumstances, have additional rights under the California Consumer Privacy Act ("CCPA"). For example, if you are a broker,

Legg Mason Funds Privacy and Security Notice (cont'd)

dealer, agent, fiduciary, or representative acting by or on behalf of, or for, the account of any other person(s) or household, or a financial advisor, or if you have otherwise provided personal information to us separate from the relationship we have with personal investors, the provisions of this Privacy Policy apply to your personal information (as defined by the CCPA).

- In addition to the provisions of the Legg Mason Funds Security and Privacy Notice, you may have the right to know the categories and specific pieces of personal information we have collected about you.
- You also have the right to request the deletion of the personal information collected or maintained by the Funds.

If you wish to exercise any of the rights you have in respect of your personal information, you should advise the Funds by contacting them as set forth below. The rights noted above are subject to our other legal and regulatory obligations and any exemptions under the CCPA. You may designate an authorized agent to make a rights request on your behalf, subject to the identification process described below. We do not discriminate based on requests for information related to our use of your personal information, and you have the right not to receive discriminatory treatment related to the exercise of your privacy rights.

We may request information from you in order to verify your identity or authority in making such a request. If you have appointed an authorized agent to make a request on your behalf, or you are an authorized agent making such a request (such as a power of attorney or other written permission), this process may include providing a password/passcode, a copy of government issued identification, affidavit or other applicable documentation, i.e. written permission. We may require you to verify your identity directly even when using an authorized agent, unless a power of attorney has been provided. We reserve the right to deny a request submitted by an agent if suitable and appropriate proof is not provided.

For the 12-month period prior to the date of this Privacy Policy, the Legg Mason Funds have not sold any of your personal information; nor do we have any plans to do so in the future.

Contact Information

Address: Data Privacy Officer, 100 International Dr., Baltimore, MD 21202

Email: DataProtectionOfficer@franklintempleton.com

Phone: 1-800-396-4748

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www.leggmason.com

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VARIABLE PORTFOLIO FUNDS

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