SEMI-ANNUAL REPORT

AB VARIABLE PRODUCTS SERIES FUND, INC.

+INTERMEDIATE BOND PORTFOLIO

As of May 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, you may not be receiving paper copies of the Portfolio's shareholder reports from the insurance company that offers your contract unless you specifically requested paper copies from the insurance company or from your financial intermediary. Instead of delivering paper copies of the reports, the insurance company may choose to make the reports available on a website, and will notify you by mail each time a report is posted and provide you with a website link to access the report. Instructions for requesting paper copies will be provided by your insurance company.

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

Investment Products Offered

- **Are Not FDIC Insured**
- **May Lose Value**
- **Are Not Bank Guaranteed**

You may obtain a description of the Fund's proxy voting policies and procedures, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, without charge. Simply visit AB's website at www.abfunds.com or go to the Securities and Exchange Commission's (the "Commission") website at www.sec.gov, or call AB at (800) 227 4618.

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the Commission's website at www.sec.gov. The Fund's Forms N-PORT may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC 0330.

As a shareholder of the Portfolio, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, contingent deferred sales charges on redemptions and (2) ongoing costs, including management fees; 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 mutual funds.

The Example is based on an investment of $1,000 invested at the beginning of the period and held for the entire period as indicated below.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The estimate of expenses does not include fees of other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the Portfolio's actual expense ratio and an assumed annual rate of return of 5% before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds by comparing this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds. The estimate of expenses does not include fees of other expenses of any variable insurance product. If such expenses were included, the estimate of expenses you paid during the period would be higher and your ending account value would be lower.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or contingent deferred sales charges on redemptions. Therefore, the second line of each class' table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value January 1, 2021	Ending Account Value June 30, 2021	Expenses Paid During Period*	Annualized Expense Ratio*
Class A				
Actual	$ 1,000	$ 988.20	$ 6.66	1.35%
Hypothetical (5% annual return before expenses)	$ 1,000	$ 1,018.10	$ 6.76	1.35%
Class B				
Actual	$ 1,000	$ 986.20	$ 7.93	1.61%
Hypothetical (5% annual return before expenses)	$ 1,000	$ 1,016.81	$ 8.05	1.61%

* Expenses are equal to each classes' annualized expense ratios, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

INTERMEDIATE BOND PORTFOLIO
TOP TEN SECTORS (including derivatives)[1]
June 30, 2021 (unaudited)

Governments—Treasuries[2]	43.9%
Corporates—Investment Grade	23.3
Commercial Mortgage-Backed Securities	17.4
Mortgage Pass-Throughs	13.7
Collateralized Mortgage Obligations	10.6
Corporates—Non-Investment Grade	5.5
Inflation-Linked Securities	4.6
Asset-Backed Securities	4.4
Interest Rate Swaps[3]	3.1
Local Governments—US Municipal Bonds	1.8

SECTOR BREAKDOWN (excluding derivatives)[4]
June 30, 2021 (unaudited)

Corporates—Investment Grade	22.1%
Commercial Mortgage-Backed Securities	16.4
Mortgage Pass-Throughs	13.0
Collateralized Mortgage Obligations	10.1
Governments—Treasuries	8.2
Inflation-Linked Securities	4.4
Corporates—Non-Investment Grade	4.2
Asset-Backed Securities	4.2
Local Governments—US Municipal Bonds	1.7
Emerging Markets—Corporate Bonds	0.3
Quasi-Sovereigns	0.1
Short-Term Investments	15.3

1 All data are as of June 30, 2021. The Portfolio's sectors include derivative exposure and are expressed as approximate percentages of the Portfolio's total net assets, based on the Adviser's internal classification. The percentages will vary over time.

2 Includes Treasury Futures.

3 Represents the exposure of the Portfolio's fixed-rate payments on the Interest Rate Swaps. Interest Rate Swaps involve the exchange by a fund with another party of payments calculated by reference to specified interest rates (e.g., an exchange of floating-rate payments for fixed-rate payments).

4 All data are as of June 30, 2021. The Portfolio's sector breakdown is expressed as a percentage of total investments and may vary over time. The Portfolio also enters into derivative transactions, which may be used for hedging or investment purposes (see "Portfolio of Investments" section of the report for additional details).

		Principal Amount (000)	U.S. $ Value
CORPORATES–INVESTMENT GRADE–23.3%			
INDUSTRIAL–13.1%			
BASIC–0.6%			
Alpek SAB de CV			
4.25%, 09/18/2029(a)	U.S.$	200	$ 216,663
Suzano Austria GmbH			
3.75%, 01/15/2031		17	17,765
			234,428
CAPITAL GOODS–0.4%			
General Electric Co.			
3.45%, 05/01/2027		107	117,707
Westinghouse Air Brake Technologies Corp.			
3.20%, 06/15/2025		15	15,983
			133,690
COMMUNICATIONS–MEDIA–0.7%			
Charter Communications Operating LLC/Charter Communications Operating Capital			
4.20%, 03/15/2028		7	7,918
4.80%, 03/01/2050		15	17,282
5.125%, 07/01/2049		23	27,474
Comcast Corp.			
4.15%, 10/15/2028		95	110,002
Discovery Communications LLC			
4.65%, 05/15/2050		9	10,534
5.20%, 09/20/2047		15	18,685
5.30%, 05/15/2049		10	12,610
Fox Corp.			
5.576%, 01/25/2049		43	58,067
			262,572
COMMUNICATIONS–TELECOMMUNICATIONS–0.3%			
AT&T, Inc.			
3.50%, 09/15/2053(a)		55	55,160
3.65%, 09/15/2059(a)		74	74,971
			130,131
CONSUMER CYCLICAL–AUTOMOTIVE–0.7%			
General Motors Co.			
6.125%, 10/01/2025		25	29,595
6.80%, 10/01/2027		34	42,803
General Motors Financial Co., Inc.			
4.30%, 07/13/2025		30	33,165
5.25%, 03/01/2026		21	24,261
Harley-Davidson Financial Services, Inc.			
3.35%, 06/08/2025(a)		128	136,926
			266,750
CONSUMER CYCLICAL–OTHER–0.4%			
Las Vegas Sands Corp.			
3.90%, 08/08/2029		85	90,569

		Principal Amount (000)	U.S. $ Value
Marriott International, Inc./MD Series EE			
5.75%, 05/01/2025	U.S.$	12	$ 13,856
MDC Holdings, Inc.			
6.00%, 01/15/2043		38	49,002
			153,427
CONSUMER CYCLICAL–RETAILERS–0.6%			
Advance Auto Parts, Inc.			
3.90%, 04/15/2030		88	98,394
Ross Stores, Inc.			
4.70%, 04/15/2027		113	130,950
			229,344
CONSUMER NON-CYCLICAL–2.2%			
Altria Group, Inc.			
3.40%, 05/06/2030		85	90,063
4.80%, 02/14/2029		26	30,151
Anheuser-Busch InBev Worldwide, Inc.			
5.55%, 01/23/2049		120	164,995
BAT Capital Corp.			
2.259%, 03/25/2028		128	127,278
2.726%, 03/25/2031		50	49,249
4.70%, 04/02/2027		55	62,138
Cigna Corp.			
4.375%, 10/15/2028		58	67,509
CVS Health Corp.			
4.30%, 03/25/2028		8	9,190
Takeda Pharmaceutical Co., Ltd.			
4.40%, 11/26/2023		200	217,108
			817,681
ENERGY–4.6%			
BP Capital Markets America, Inc.			
2.939%, 06/04/2051		129	123,714
Cenovus Energy, Inc.			
4.25%, 04/15/2027		12	13,418
4.40%, 04/15/2029		132	149,528
5.375%, 07/15/2025		30	34,322
Chevron USA, Inc.			
3.85%, 01/15/2028		30	34,201
5.25%, 11/15/2043		60	81,578
Devon Energy Corp.			
5.60%, 07/15/2041		50	62,022
Enbridge Energy Partners LP			
7.375%, 10/15/2045		70	110,480
Energy Transfer LP			
4.75%, 01/15/2026		175	197,003
6.25%, 04/15/2049		14	18,410
Enterprise Products Operating LLC			
3.70%, 02/15/2026		161	178,322
Marathon Oil Corp.			
6.80%, 03/15/2032		100	131,343

		Principal Amount (000)	U.S. $ Value
Marathon Petroleum Corp.			
5.125%, 12/15/2026	U.S.$	30	$ 35,318
6.50%, 03/01/2041		18	25,022
ONEOK, Inc.			
4.00%, 07/13/2027		87	96,140
4.35%, 03/15/2029		57	64,359
5.20%, 07/15/2048		5	6,133
6.35%, 01/15/2031		23	29,747
Plains All American Pipeline LP/PAA Finance Corp.			
3.55%, 12/15/2029		8	8,437
4.50%, 12/15/2026		25	28,087
4.65%, 10/15/2025		57	63,779
Suncor Energy, Inc.			
6.80%, 05/15/2038		59	84,781
TransCanada PipeLines Ltd.			
6.10%, 06/01/2040		91	125,144
			1,701,288
SERVICES–0.4%			
Booking Holdings, Inc.			
4.625%, 04/13/2030		104	124,411
IHS Markit Ltd.			
4.25%, 05/01/2029		19	21,967
4.75%, 08/01/2028		7	8,245
			154,623
TECHNOLOGY–1.9%			
Broadcom, Inc.			
4.11%, 09/15/2028		72	80,945
4.15%, 11/15/2030		126	141,393
5.00%, 04/15/2030		46	54,372
Dell International LLC/EMC Corp.			
6.02%, 06/15/2026		78	93,549
Infor, Inc.			
1.75%, 07/15/2025(a)		34	34,715
Micron Technology, Inc.			
4.185%, 02/15/2027		111	125,339
Oracle Corp.			
2.875%, 03/25/2031		57	59,353
3.95%, 03/25/2051		68	74,304
VeriSign, Inc.			
2.70%, 06/15/2031		33	33,490
			697,460
TRANSPORTATION–AIRLINES–0.3%			
Delta Air Lines, Inc./SkyMiles IP Ltd.			
4.50%, 10/20/2025(a)		39	42,304
4.75%, 10/20/2028(a)		46	51,192
			93,496
			4,874,890

		Principal Amount (000)	U.S. $ Value
FINANCIAL INSTITUTIONS–10.2%			
BANKING–7.2%			
American Express Co.			
Series B			
3.584% (LIBOR 3 Month + 3.43%), 08/15/2021(b)(c)	U.S.$	8	$ 8,020
Series C			
3.404% (LIBOR 3 Month + 3.29%), 09/15/2021(b)(c)		32	32,087
Banco de Credito del Peru			
3.125%, 07/01/2030(a)		87	86,099
Banco Santander SA			
2.749%, 12/03/2030		200	198,218
3.49%, 05/28/2030		200	215,942
Bank of America Corp.			
2.687%, 04/22/2032		56	57,684
Series DD			
6.30%, 03/10/2026(b)		27	31,371
Series L			
3.95%, 04/21/2025		124	136,161
Series Z			
6.50%, 10/23/2024(b)		41	46,353
Bank of New York Mellon Corp. (The)			
Series G			
4.70%, 09/20/2025(b)		17	18,697
Barclays Bank PLC			
6.86%, 06/15/2032(a)(b)		29	39,371
BNP Paribas SA			
2.871%, 04/19/2032(a)		200	205,188
Capital One Financial Corp.			
Series E			
3.935% (LIBOR 3 Month + 3.80%), 09/01/2021(b)(c)		83	83,184
CIT Group, Inc.			
5.25%, 03/07/2025		56	63,025
Citigroup, Inc.			
3.98%, 03/20/2030		37	41,988
4.075%, 04/23/2029		52	59,028
5.95%, 01/30/2023(b)		55	57,891
Series W			
4.00%, 12/10/2025(b)		37	38,241
Credit Suisse Group AG			
3.80%, 06/09/2023		265	280,645
Fifth Third Bancorp			
Series L			
4.50%, 09/30/2025 (b)		24	26,048
Goldman Sachs Group, Inc. (The)			
2.615%, 04/22/2032		78	79,771
HSBC Holdings PLC			
4.25%, 08/18/2025		203	224,575
JPMorgan Chase & Co.			
2.58%, 04/22/2032		116	119,177

		Principal Amount (000)	U.S. $ Value
Series I			
3.656% (LIBOR			
3 Month + 3.47%),			
07/30/2021(b)(c)	U.S.$	36	$ 36,078
Series V			
3.465% (LIBOR			
3 Month + 3.32%),			
10/01/2021(b)(c)		18	18,007
Series Z			
3.976% (LIBOR			
3 Month + 3.80%),			
08/01/2021(b)(c)		51	51,140
Morgan Stanley Series H			
3.794% (LIBOR 3 Month +			
3.61%), 10/15/2021(b)(c)		10	10,041
Santander Holdings USA, Inc.			
4.40%, 07/13/2027		41	45,998
Standard Chartered PLC			
1.696% (LIBOR			
3 Month + 1.51%),			
01/30/2027(a)(b)(c)		100	96,332
Truist Financial Corp.			
Series Q			
5.10%, 03/01/2030(b)		81	91,357
US Bancorp			
Series J			
5.30%, 04/15/2027(b)		63	71,347
Wells Fargo & Co.			
2.188%, 04/30/2026		62	64,368
Series BB			
3.90%, 03/15/2026(b)		33	34,118
			2,667,550
BROKERAGE–0.3%			
Charles Schwab Corp. (The)			
Series G			
5.375%, 06/01/2025(b)		44	48,738
Series I			
4.00%, 06/01/2026(b)		72	75,089
			123,827
FINANCE–1.9%			
Air Lease Corp.			
2.875%, 01/15/2026		15	15,776
3.625%, 04/01/2027		8	8,612
4.25%, 02/01/2024		17	18,414
Aircastle Ltd.			
2.85%, 01/26/2028(a)		88	88,517
4.125%, 05/01/2024		18	19,220
4.25%, 06/15/2026		7	7,598
4.40%, 09/25/2023		41	43,906
5.00%, 04/01/2023		4	4,279
5.25%, 08/11/2025(a)		47	52,789
Aviation Capital Group LLC			
1.95%, 01/30/2026(a)		46	45,999
2.875%, 01/20/2022(a)		10	10,103
3.50%, 11/01/2027(a)		17	17,853
3.875%, 05/01/2023(a)		38	39,797
4.125%, 08/01/2025(a)		2	2,159

		Principal Amount (000)	U.S. $ Value
4.375%, 01/30/2024(a)	U.S.$	14	$ 15,022
4.875%, 10/01/2025(a)		20	22,157
5.50%, 12/15/2024(a)		46	52,042
GE Capital European Funding Unlimited Co.			
4.625%, 02/22/2027	EUR	50	73,520
Synchrony Financial			
4.50%, 07/23/2025	U.S.$	147	164,609
			702,372
INSURANCE–0.6%			
Alleghany Corp.			
3.625%, 05/15/2030		95	104,823
Centene Corp.			
4.25%, 12/15/2027		14	14,769
4.625%, 12/15/2029		16	17,613
Nationwide Mutual Insurance Co.			
9.375%, 08/15/2039(a)		35	60,631
Voya Financial, Inc.			
5.65%, 05/15/2053		31	33,189
			231,025
REITS–0.2%			
Host Hotels & Resorts LP			
Series D			
3.75%, 10/15/2023		6	6,323
Vornado Realty LP			
3.40%, 06/01/2031		48	49,495
			55,818
			3,780,592
Total Corporates–Investment Grade			
(cost $8,128,136)			8,655,482
COMMERCIAL MORTGAGE-BACKED SECURITIES–17.2%			
NON-AGENCY FIXED RATE CMBS–13.2%			
BAMLL Commercial Mortgage Securities Trust			
Series 2013-WBRK,			
Class D			
3.652%, 03/10/2037(a)		110	100,719
Banc of America Commercial Mortgage Trust			
Series 2015-UBS7,			
Class AS			
3.989%, 09/15/2048		100	109,183
CCUBS Commercial Mortgage Trust			
Series 2017-C1, Class A4			
3.544%, 11/15/2050		155	171,621
CFCRE Commercial Mortgage Trust			
Series 2016-C4, Class A4			
3.283%, 05/10/2058		115	123,950
Series 2016-C4, Class AM			
3.691%, 05/10/2058		45	48,493

		Principal Amount (000)		U.S. $ Value
CGRBS Commercial Mortgage Trust Series 2013-VN05, Class A 3.369%, 03/13/2035(a)	U.S.$	260	$	269,340
Citigroup Commercial Mortgage Trust				
Series 2015-GC27, Class A5 3.137%, 02/10/2048		144		153,275
Series 2015-GC35, Class A4 3.818%, 11/10/2048		55		60,686
Series 2016-C1, Class A4 3.209%, 05/10/2049		192		207,490
Series 2016-GC36, Class A5 3.616%, 02/10/2049		65		71,269
Commercial Mortgage Trust				
Series 2013-SFS, Class A1 1.873%, 04/12/2035(a)		27		27,338
Series 2014-UBS3, Class A4 3.819%, 06/10/2047		130		140,291
Series 2014-UBS5, Class A4 3.838%, 09/10/2047		130		140,957
Series 2014-UBS6, Class AM 4.048%, 12/10/2047		45		48,501
Series 2015-CR24, Class A5 3.696%, 08/10/2048		65		71,099
Series 2015-DC1, Class A5 3.35%, 02/10/2048		80		85,770
CSAIL Commercial Mortgage Trust				
Series 2015-C2, Class A4 3.504%, 06/15/2057		100		107,997
Series 2015-C3, Class A4 3.718%, 08/15/2048		117		127,221
Series 2015-C4, Class A4 3.808%, 11/15/2048		215		236,795
GS Mortgage Securities Trust				
Series 2013-G1, Class A2 3.557%, 04/10/2031(a)		136		136,320
Series 2014-GC22, Class A5 3.862%, 06/10/2047		77		83,105
Series 2015-GC28, Class A5 3.396%, 02/10/2048		95		102,341
Series 2018-GS9, Class A4 3.992%, 03/10/2051		75		85,477
GSF				
Series 2021-1, Class A1 1.433%, 08/15/2026(d)(e)		19		18,939
Series 2021-1, Class A2 2.435%, 08/15/2026(d)(e)		21		21,421
Series 2021-1, Class AS 2.638%, 08/15/2026(d)(e)		4		4,089

		Principal Amount (000)		U.S. $ Value
JPMBB Commercial Mortgage Securities Trust				
Series 2014-C21, Class A5 3.775%, 08/15/2047	U.S.$	100	$	108,079
Series 2014-C22, Class XA 0.979%, 09/15/2047(f)		2,481		54,701
Series 2014-C24, Class C 4.55%, 11/15/2047		110		107,448
Series 2015-C30, Class A5 3.822%, 07/15/2048		65		71,417
Series 2015-C31, Class A3 3.801%, 08/15/2048		195		212,934
JPMorgan Chase Commercial Mortgage Securities Trust				
Series 2012-C6, Class D 5.313%, 05/15/2045		110		104,403
Series 2012-C6, Class E 5.313%, 05/15/2045(a)		132		92,920
LB-UBS Commercial Mortgage Trust Series 2006-C6, Class AJ 5.452%, 09/15/2039		24		12,628
LSTAR Commercial Mortgage Trust Series 2016-4, Class A2 2.579%, 03/10/2049(a)		139		140,369
Morgan Stanley Capital I Trust Series 2016-UB12, Class A4 3.596%, 12/15/2049		100		109,795
UBS Commercial Mortgage Trust				
Series 2018-C8, Class A4 3.983%, 02/15/2051		100		113,180
Series 2018-C9, Class A4 4.117%, 03/15/2051		125		141,317
Series 2018-C10, Class A4 4.313%, 05/15/2051		125		143,480
UBS-Barclays Commercial Mortgage Trust Series 2012-C4, Class A5 2.85%, 12/10/2045		112		114,831
Wells Fargo Commercial Mortgage Trust				
Series 2015-SG1, Class A4 3.789%, 09/15/2048		95		102,363
Series 2016-C35, Class XA 2.077%, 07/15/2048(f)		875		67,472
Series 2016-LC25, Class C 4.563%, 12/15/2059		85		90,945
Series 2016-NXS6, Class C 4.459%, 11/15/2049		100		107,770
WF-RBS Commercial Mortgage Trust				
Series 2013-C11, Class XA 1.281%, 03/15/2045(a)(f)		1,016		14,186
Series 2014-C19, Class A5 4.101%, 03/15/2047		130		140,415
Series 2014-C24, Class AS 3.931%, 11/15/2047		110		116,165
				4,920,505

	Principal Amount (000)		U.S. $ Value
NON-AGENCY FLOATING RATE CMBS–4.0%			
Ashford Hospitality Trust			
Series 2018-KEYS, Class A 1.073% (LIBOR 1 Month + 1.00%), 06/15/2035(a)(c)	U.S.$	100	$ 100,078
Atrium Hotel Portfolio Trust			
Series 2018-ATRM, Class A 1.023% (LIBOR 1 Month + 0.95%), 06/15/2035(a)(c)		100	99,998
BAMLL Commercial Mortgage Securities Trust			
Series 2017-SCH, Class AF 1.073% (LIBOR 1 Month + 1.00%), 11/15/2033(a)(c)		185	181,003
BBCMS Mortgage Trust			
Series 2020-BID, Class A 2.213% (LIBOR 1 Month + 2.14%), 10/15/2037(a)(c)		71	71,664
Beneria Cowen & Pritzer Collateral Funding Corp.			
Series 2021-330N, Class A 0.899% (LIBOR 1 Month + 0.80%), 06/15/2038(a)(c)		21	20,851
BFLD Trust			
Series 2021-FPM, Class A 1.70% (LIBOR 1 Month + 1.60%), 06/15/2038(a)(c)		113	113,101
BHMS			
Series 2018-ATLS, Class A 1.323% (LIBOR 1 Month + 1.25%), 07/15/2035(a)(c)		81	81,099
BX Trust			
Series 2018-EXCL, Class A 1.161% (LIBOR 1 Month + 1.09%), 09/15/2037(a)(c)		79	77,814
CLNY Trust			
Series 2019-IKPR, Class D 2.098% (LIBOR 1 Month + 2.03%), 11/15/2038(a)(c)		65	64,714
DBWF Mortgage Trust			
Series 2018-GLKS, Class A 1.123% (LIBOR 1 Month + 1.03%), 12/19/2030(a)(c)		100	100,137
Federal Home Loan Mortgage Corp.			
Series 2021-MN1, Class M1 2.018% (SOFR + 2.00%), 01/25/2051(a)(c)		19	18,806
Great Wolf Trust			
Series 2019-WOLF, Class A 1.107% (LIBOR 1 Month + 1.03%), 12/15/2036(a)(c)		111	111,069
GS Mortgage Securities Corp. Trust			
Series 2019-BOCA, Class A 1.273% (LIBOR 1 Month + 1.20%), 06/15/2038(a)(c)	U.S.$	115	$ 115,214
Series 2019-SMP, Class A 1.223% (LIBOR 1 Month + 1.15%), 08/15/2032(a)(c)		100	100,063
Invitation Homes Trust			
Series 2018-SFR2, Class C 1.353% (LIBOR 1 Month + 1.28%), 06/17/2037(a)(c)		100	100,144
Starwood Retail Property Trust			
Series 2014-STAR, Class A 1.543% (LIBOR 1 Month + 1.47%), 11/15/2027(a)(c)		174	129,858
			1,485,613
Total Commercial Mortgage-Backed Securities (cost $6,300,625)			6,406,118
MORTGAGE PASS-THROUGHS –13.7%			
AGENCY FIXED RATE 30-YEAR –11.9%			
Federal Home Loan Mortgage Corp.			
Series 2019 3.50%, 10/01/2049-11/01/2049		175	186,581
Series 2020 3.50%, 01/01/2050		86	92,515
Federal Home Loan Mortgage Corp. Gold			
Series 2005 5.50%, 01/01/2035		41	47,391
Series 2007 5.50%, 07/01/2035		13	15,460
Series 2016 4.00%, 02/01/2046		113	123,837
Series 2017 4.00%, 07/01/2044		84	91,831
Series 2018 4.50%, 10/01/2048-11/01/2048		170	185,076
5.00%, 11/01/2048		45	49,430
Federal National Mortgage Association			
Series 2003 5.50%, 04/01/2033-07/01/2033		40	45,830
Series 2004 5.50%, 04/01/2034-11/01/2034		36	40,843
Series 2005 5.50%, 02/01/2035		41	47,190

	Principal Amount (000)	U.S. $ Value
Series 2010 4.00%, 12/01/2040	U.S.$ 52	$ 56,758
Series 2012 3.50%, 02/01/2042-01/01/2043	158	171,325
Series 2013 3.50%, 04/01/2043	78	84,047
4.00%, 10/01/2043	203	221,277
Series 2018 3.50%, 04/01/2048-05/01/2048	621	663,094
4.50%, 09/01/2048	146	158,678
Series 2019 3.50%, 09/01/2049-11/01/2049	298	317,581
Series 2020 3.50%, 01/01/2050	79	84,731
Government National Mortgage Association		
Series 1994 9.00%, 09/15/2024	0**	217
Series 2016 3.00%, 04/20/2046	97	101,997
Uniform Mortgage-Backed Security		
Series 2021 2.00%, 07/01/2051, TBA	415	419,539
2.50%, 07/01/2051, TBA	1,162	1,202,489
		4,407,717
AGENCY FIXED RATE 15-YEAR–1.8%		
Federal National Mortgage Association Series 2016 2.50%, 07/01/2031-01/01/2032	651	680,845
Total Mortgage Pass-Throughs (cost $4,914,789)		5,088,562
COLLATERALIZED MORTGAGE OBLIGATIONS–10.6%		
RISK SHARE FLOATING RATE –8.2%		
Bellemeade Re Ltd.		
Series 2018-3A, Class M1B 1.942% (LIBOR 1 Month + 1.85%), 10/25/2028(a)(c)	82	82,075
Series 2019-4A, Class M1B 2.092% (LIBOR 1 Month + 2.00%), 10/25/2029(a)(c)	150	150,094
Series 2020-4A, Class M2A 2.692% (LIBOR 1 Month + 2.60%), 06/25/2030(a)(c)	114	113,966
Connecticut Avenue Securities Trust		
Series 2018-R07, Class 1M2 2.492% (LIBOR 1 Month + 2.40%), 04/25/2031(a)(c)	18	17,672

	Principal Amount (000)	U.S. $ Value
Series 2019-HRP1, Class M2 2.242% (LIBOR 1 Month + 2.15%), 11/25/2039(a)(c)	U.S.$ 80	$ 79,257
Series 2019-R02, Class 1M2 2.392% (LIBOR 1 Month + 2.30%), 08/25/2031(a)(c)	22	22,098
Series 2019-R03, Class 1M2 2.242% (LIBOR 1 Month + 2.15%), 09/25/2031(a)(c)	36	35,773
Series 2019-R04, Class 2M2 2.192% (LIBOR 1 Month + 2.10%), 06/25/2039(a)(c)	32	31,858
Series 2019-R05, Class 1M2 2.092% (LIBOR 1 Month + 2.00%), 07/25/2039(a)(c)	26	26,317
Series 2019-R06, Class 2M2 2.192% (LIBOR 1 Month + 2.10%), 09/25/2039(a)(c)	47	46,868
Series 2019-R07, Class 1M2 2.192% (LIBOR 1 Month + 2.10%), 10/25/2039(a)(c)	49	49,132
Series 2020-R01, Class 1M2 2.142% (LIBOR 1 Month + 2.05%), 01/25/2040(a)(c)	102	102,347
Series 2020-R02, Class 2M2 2.092% (LIBOR 1 Month + 2.00%), 01/25/2040(a)(c)	87	87,646
Eagle Re Ltd.		
Series 2020-1, Class M1A 0.992% (LIBOR 1 Month + 0.90%), 01/25/2030(a)(c)	150	149,637
Series 2020-2, Class M1B 4.092% (LIBOR 1 Month + 4.00%), 10/25/2030(a)(c)	150	150,930
Federal Home Loan Mortgage Corp. Structured Agency Credit Risk Debt Notes		
Series 2019-DNA3, Class M2 2.142% (LIBOR 1 Month + 2.05%), 07/25/2049(a)(c)	75	75,480
Series 2019-DNA4, Class M2 2.042% (LIBOR 1 Month + 1.95%), 10/25/2049(a)(c)	54	54,204
Series 2019-FTR2, Class M2 2.242% (LIBOR 1 Month + 2.15%), 11/25/2048(a)(c)	115	114,892

		Principal Amount (000)		U.S. $ Value
Series 2019-HQA1, Class M2 2.442% (LIBOR 1 Month + 2.35%), 02/25/2049(a)(c)	U.S.$	65	$	65,824
Series 2020-DNA1, Class M2 1.792% (LIBOR 1 Month + 1.70%), 01/25/2050(a)(c)		79		79,725
Series 2020-DNA5, Class M2 2.818% (SOFR + 2.80%), 10/25/2050(a)(c)		70		71,047
Series 2021-DNA3, Class B1 3.518% (SOFR + 3.50%), 10/25/2033(a)(c)		71		73,475
Federal National Mortgage Association Connecticut Avenue Securities				
Series 2014-C04, Class 1M2 4.992% (LIBOR 1 Month + 4.90%), 11/25/2024(c)		44		45,635
Series 2014-C04, Class 2M2 5.092% (LIBOR 1 Month + 5.00%), 11/25/2024(c)		12		12,478
Series 2015-C01, Class 2M2 4.642% (LIBOR 1 Month + 4.55%), 02/25/2025(c)		2		2,470
Series 2015-C02, Class 1M2 4.092% (LIBOR 1 Month + 4.00%), 05/25/2025(c)		33		34,108
Series 2015-C02, Class 2M2 4.092% (LIBOR 1 Month + 4.00%), 05/25/2025(c)		13		13,306
Series 2015-C03, Class 1M2 5.092% (LIBOR 1 Month + 5.00%), 07/25/2025(c)		36		37,054
Series 2015-C03, Class 2M2 5.092% (LIBOR 1 Month + 5.00%), 07/25/2025(c)		13		12,689
Series 2015-C04, Class 1M2 5.792% (LIBOR 1 Month + 5.70%), 04/25/2028(c)		66		69,680
Series 2016-C01, Class 1M2 6.842% (LIBOR 1 Month + 6.75%), 08/25/2028(c)		78		83,451
Series 2016-C02, Class 1M2 6.092% (LIBOR 1 Month + 6.00%), 09/25/2028(c)		59		62,185

		Principal Amount (000)		U.S. $ Value
Series 2016-C03, Class 2M2 5.992% (LIBOR 1 Month + 5.90%), 10/25/2028(c)	U.S.$	45	$	47,334
Series 2016-C05, Class 2M2 4.542% (LIBOR 1 Month + 4.45%), 01/25/2029(c)		51		53,049
Series 2016-C06, Class 1M2 4.342% (LIBOR 1 Month + 4.25%), 04/25/2029(c)		89		92,016
Series 2017-C01, Class 1M2 3.642% (LIBOR 1 Month + 3.55%), 07/25/2029(c)		68		71,107
Series 2017-C02, Class 2M2C 3.742% (LIBOR 1 Month + 3.65%), 09/25/2029(c)		68		70,381
Series 2017-C04, Class 2M2 2.942% (LIBOR 1 Month + 2.85%), 11/25/2029(c)		38		39,123
PMT Credit Risk Transfer Trust				
Series 2019-1R, Class A 2.096% (LIBOR 1 Month + 2.00%), 03/27/2024(a)(c)		41		41,011
Series 2019-2R, Class A 2.846% (LIBOR 1 Month + 2.75%), 05/27/2023(a)(c)		60		59,522
Series 2019-3R, Class A 2.796% (LIBOR 1 Month + 2.70%), 10/27/2022(a)(c)		32		32,274
Radnor Re Ltd.				
Series 2020-1, Class M1A 1.042% (LIBOR 1 Month + 0.95%), 01/25/2030(a)(c)		150		150,016
Series 2020-1, Class M2A 2.092% (LIBOR 1 Month + 2.00%), 01/25/2030(a)(c)		150		147,411
STACR Trust				
Series 2018-DNA3, Class M2 2.192% (LIBOR 1 Month + 2.10%), 09/25/2048(a)(c)		31		30,979
Triangle Re Ltd.				
Series 2020-1, Class M1B 3.992% (LIBOR 1 Month + 3.90%), 10/25/2030(a)(c)		150		150,750
Wells Fargo Credit Risk Transfer Securities Trust				
Series 2015-WF1, Class 1M2 5.342% (LIBOR 1 Month + 5.25%), 11/25/2025(c)(e)		19		18,692

	Principal Amount (000)	U.S. $ Value
Series 2015-WF1, Class 2M2 5.592% (LIBOR 1 Month + 5.50%), 11/25/2025(c)(e)	U.S.$ 8	$ 7,811
		3,064,849
AGENCY FLOATING RATE–1.1%		
Federal Home Loan Mortgage Corp. REMICs		
Series 4981, Class HS 6.009% (6.10%–LIBOR 1 Month), 06/25/2050(c)(g)	368	65,606
Federal National Mortgage Association REMICs		
Series 2011-131, Class ST 6.449% (6.54%–LIBOR 1 Month), 12/25/2041(c)(g)	97	20,571
Series 2015-90, Class SL 6.059% (6.15%–LIBOR 1 Month), 12/25/2045(c)(g)	193	39,741
Series 2016-77, Class DS 5.909% (6.00%–LIBOR 1 Month), 10/25/2046(c)(g)	159	31,342
Series 2017-26, Class TS 5.859% (5.95%–LIBOR 1 Month), 04/25/2047(c)(g)	192	46,561
Series 2017-62, Class AS 6.059% (6.15%–LIBOR 1 Month), 08/25/2047(c)(g)	180	37,417
Series 2017-81, Class SA 6.109% (6.20%–LIBOR 1 Month), 10/25/2047(c)(g)	194	45,955
Series 2017-97, Class LS 6.109% (6.20%–LIBOR 1 Month), 12/25/2047(c)(g)	211	53,306
Government National Mortgage Association		
Series 2017-134, Class SE 6.107% (6.20%–LIBOR 1 Month), 09/20/2047(c)(g)	128	25,105
Series 2017-65, Class ST 6.057% (6.15%–LIBOR 1 Month), 04/20/2047(c)(g)	178	39,065
		404,669
NON-AGENCY FIXED RATE–0.6%		
Alternative Loan Trust		
Series 2005-20CB, Class 3A6 5.50%, 07/25/2035	11	9,605
Series 2006-24CB, Class A16 5.75%, 08/25/2036	U.S.$ 50	$ 38,776
Series 2006-28CB, Class A14 6.25%, 10/25/2036	36	27,186
Series 2006-J1, Class 1A13 5.50%, 02/25/2036	23	20,624
Chase Mortgage Finance Trust		
Series 2007-S5, Class 1A17 6.00%, 07/25/2037	17	11,654
Countrywide Home Loan Mortgage Pass-Through Trust		
Series 2006-10, Class 1A8 6.00%, 05/25/2036	22	15,758
Series 2006-13, Class 1A19 6.25%, 09/25/2036	12	7,584
First Horizon Alternative Mortgage Securities Trust		
Series 2006-FA3, Class A9 6.00%, 07/25/2036	37	25,119
JPMorgan Alternative Loan Trust		
Series 2006-A3, Class 2A1 3.192%, 07/25/2036	73	62,496
		218,802
AGENCY FIXED RATE–0.5%		
Federal Home Loan Mortgage Corp. REMICs		
Series 5015, Class BI 4.00%, 09/25/2050(f)	208	36,283
Series 5049, Class CI 3.50%, 12/25/2050(f)	223	31,061
Federal National Mortgage Association Grantor Trust		
Series 2004-T5, Class AB4 0.632%, 05/28/2035	50	48,377
Federal National Mortgage Association REMICs		
Series 2020-89, Class KI 4.00%, 12/25/2050(f)	443	70,283
		186,004
NON-AGENCY FLOATING RATE–0.2%		
Deutsche Alt-A Securities Mortgage Loan Trust		
Series 2006-AR4, Class A2 0.472% (LIBOR 1 Month + 0.38%), 12/25/2036(c)	101	47,751
HomeBanc Mortgage Trust		
Series 2005-1, Class A1 0.592% (LIBOR 1 Month + 0.50%), 03/25/2035(c)	24	21,569
		69,320
Total Collateralized Mortgage Obligations (cost $3,993,200)		3,943,644

		Principal Amount (000)	U.S. $ Value
GOVERNMENTS–TREASURIES–8.6%			
MALAYSIA–0.3%			
Malaysia Government Bond Series 117			
3.882%, 03/10/2022	MYR	474	$ 115,802
UNITED STATES–8.3%			
U.S. Treasury Bonds			
1.875%, 02/15/2051	U.S.$	1,384	1,322,007
5.375%, 02/15/2031		175	237,673
U.S. Treasury Notes			
0.875%, 11/15/2030(h)		579	550,750
1.125%, 02/15/2031		213	207,237
1.625%, 05/15/2026		756	783,581
			3,101,248
Total Governments–Treasuries (cost $3,141,073)			3,217,050
INFLATION-LINKED SECURITIES–4.6%			
CANADA–0.6%			
Canadian Government Real Return Bond			
1.50%, 12/01/2044	CAD	203	214,593
UNITED STATES–4.0%			
U.S. Treasury Inflation Index			
0.125%, 01/15/2031(TIPS)	U.S.$	82	90,381
0.25%, 01/15/2025(TIPS)		1,189	1,287,061
0.75%, 07/15/2028(TIPS)		96	109,903
			1,487,345
Total Inflation-Linked Securities (cost $1,672,090)			1,701,938
CORPORATES–NON-INVESTMENT GRADE–4.5%			
INDUSTRIAL–3.1%			
BASIC–0.3%			
Ingevity Corp.			
3.875%, 11/01/2028(a)		65	64,863
Sealed Air Corp.			
4.00%, 12/01/2027(a)		47	49,985
			114,848
CAPITAL GOODS–0.3%			
GFL Environmental, Inc.			
3.50%, 09/01/2028(a)		62	62,002
TransDigm, Inc.			
6.25%, 03/15/2026(a)		50	52,740
			114,742
COMMUNICATIONS–MEDIA– 0.8%			
Cable One, Inc.			
4.00%, 11/15/2030(a)		37	37,160
CCO Holdings LLC/CCO Holdings Capital Corp.			
4.50%, 08/15/2030-06/01/2033(a)	U.S.$	75	$ 77,003
CSC Holdings LLC			
6.75%, 11/15/2021		30	30,600
Netflix, Inc.			
5.875%, 11/15/2028		83	101,962
Sirius XM Radio, Inc.			
4.00%, 07/15/2028(a)		57	58,810
			305,535
COMMUNICATIONS–TELECOMMUNICATIONS–0.4%			
Lumen Technologies, Inc.			
4.50%, 01/15/2029(a)		60	58,432
T-Mobile USA, Inc.			
2.625%, 04/15/2026-02/15/2029		27	27,261
2.875%, 02/15/2031		41	40,661
3.375%, 04/15/2029		7	7,239
			133,593
CONSUMER CYCLICAL–AUTOMOTIVE–0.2%			
Allison Transmission, Inc.			
3.75%, 01/30/2031(a)		61	59,856
CONSUMER CYCLICAL–ENTERTAINMENT–0.5%			
Mattel, Inc.			
3.375%, 04/01/2026(a)		32	33,174
3.75%, 04/01/2029(a)		32	33,269
Royal Caribbean Cruises Ltd.			
10.875%, 06/01/2023(a)		43	49,027
11.50%, 06/01/2025(a)		73	84,220
			199,690
CONSUMER CYCLICAL–RESTAURANTS–0.2%			
1011778 BC ULC/New Red Finance, Inc.			
3.50%, 02/15/2029(a)		77	76,109
CONSUMER CYCLICAL–RETAILERS–0.1%			
Levi Strauss & Co.			
3.50%, 03/01/2031(a)		42	41,860
CONSUMER NON-CYCLICAL–0.2%			
Albertsons Cos., Inc./Safeway, Inc./New Albertsons LP/Albertsons LLC			
3.50%, 03/15/2029(a)		41	40,513
Newell Brands, Inc.			
4.70%, 04/01/2026		33	36,792
4.875%, 06/01/2025		8	8,864
Spectrum Brands, Inc.			
5.75%, 07/15/2025		5	5,128
			91,297

		Principal Amount (000)	U.S. $ Value
ENERGY–0.1%			
Transocean Poseidon Ltd.			
6.875%, 02/01/2027(a)	U.S.$	33	$ 33,164
			1,170,694
FINANCIAL INSTITUTIONS–1.2%			
BANKING–1.0%			
Credit Suisse Group AG			
7.50%, 07/17/2023(a)(b) ...		200	217,132
Discover Financial Services			
Series D			
6.125%, 06/23/2025(b)		127	142,528
			359,660
FINANCE–0.2%			
SLM Corp.			
4.20%, 10/29/2025		68	73,085
			432,745
UTILITY–0.2%			
ELECTRIC–0.2%			
Vistra Operations Co. LLC			
4.375%, 05/01/2029(a)		58	58,306
Total Corporates–Non-Investment Grade (cost $1,603,033)			1,661,745
ASSET-BACKED SECURITIES–4.4%			
OTHER ABS–FIXED RATE–2.5%			
AB Issuer LLC			
Series 2021-1, Class A2			
3.734%, 07/30/2051(a)(d) ...		80	80,610
Affirm Asset Securitization Trust			
Series 2020-A, Class A			
2.10%, 02/18/2025(a)		100	100,891
Series 2021-A, Class C			
1.66%, 08/15/2025(a)		100	100,447
Series 2021-Z1, Class A			
1.07%, 08/15/2025(a)		95	95,122
Domino's Pizza Master Issuer LLC			
Series 2021-1A, Class A2I			
2.662%, 04/25/2051(a)		50	51,741
GCI Funding I LLC			
Series 2021-1, Class A			
2.38%, 06/18/2046(a)(d) ...		100	99,974
Hardee's Funding LLC			
Series 2018-1A, Class A23			
5.71%, 06/20/2048(a)		37	41,025
Series 2020-1A, Class A2			
3.981%, 12/20/2050(a)		85	89,624
Marlette Funding Trust			
Series 2019-3A, Class A			
2.69%, 09/17/2029(a)		9	8,711
Series 2020-1A, Class A			
2.24%, 03/15/2030(a)		22	21,757
Neighborly Issuer LLC			
Series 2021-1A, Class A2			
3.584%, 04/30/2051(a)	U.S.$	33	$ 34,279
Nelnet Student Loan Trust			
Series 2021-BA, Class B			
2.68%, 04/20/2062(a)		100	99,944
SoFi Consumer Loan Program LLC			
Series 2017-4, Class B			
3.59%, 05/26/2026(a)		90	91,205
Series 2017-5, Class A2			
2.78%, 09/25/2026(a)		4	4,461
			919,791
AUTOS–FIXED RATE –1.5%			
Avis Budget Rental Car Funding AESOP LLC			
Series 2018-2A, Class A			
4.00%, 03/20/2025(a)		105	113,418
Exeter Automobile Receivables Trust			
Series 2017-1A, Class D			
6.20%, 11/15/2023(a)		93	94,288
Series 2017-3A, Class C			
3.68%, 07/17/2023(a)		40	40,291
First Investors Auto Owner Trust			
Series 2020-1A, Class A			
1.49%, 01/15/2025(a)		21	21,446
Flagship Credit Auto Trust			
Series 2016-4, Class D			
3.89%, 11/15/2022(a)		89	89,416
Ford Credit Auto Owner Trust			
Series 2021-1, Class D			
2.31%, 10/17/2033(a)		150	150,531
Hertz Vehicle Financing II LP			
Series 2017-1A, Class A			
2.96%, 10/25/2021(a)		12	11,978
Series 2019-1A, Class A			
3.71%, 03/25/2023(a)		10	9,646
Hertz Vehicle Financing LLC			
Series 2018-2A, Class A			
3.65%, 06/27/2022(a)		12	12,061
			543,075
CREDIT CARDS–FIXED RATE–0.4%			
World Financial Network Credit Card Master Trust			
Series 2018-B, Class M			
3.81%, 07/15/2025		70	70,468
Series 2019-B, Class M			
3.04%, 04/15/2026		80	81,703
			152,171

	Principal Amount (000)		U.S. $ Value
HOME EQUITY LOANS–FLOATING Rate–0.0%			
ABFC Trust Series 2003-WF1, Class A2 1.217% (LIBOR 1 Month + 1.13%), 12/25/2032 (c)	U.S.$	12	$ 12,093
Total Asset-Backed Securities (cost $1,603,765)			1,627,130
LOCAL GOVERNMENTS–US MUNICIPAL BONDS –1.8%			
UNITED STATES–1.8%			
Port Authority of New York & New Jersey Series 2020A 1.086%, 07/01/2023		50	50,636
State Board of Administration Finance Corp. Series 2020A 1.705%, 07/01/2027		80	81,295
State of California 5.70%, 11/01/2021		65	66,181
Series 2010 7.625%, 03/01/2040		200	336,909
Tobacco Settlement Finance Authority/WV 3.00%, 06/01/2035		46	47,849
University of California Series 2021B 3.071%, 05/15/2051		75	75,757
Total Local Governments–US Municipal Bonds (cost $519,602)			658,627
EMERGING MARKETS–CORPORATE BONDS–0.3%			
INDUSTRIAL–0.3%			
BASIC–0.1%			
Volcan Cia Minera SAA 4.375%, 02/11/2026(a)		19	18,715
CAPITAL GOODS–0.2%			
Embraer Netherlands Finance BV 5.40%, 02/01/2027		85	90,261
			108,976
UTILITY–0.0%			
ELECTRIC–0.0%			
Terraform Global Operating LLC 6.125%, 03/01/2026(e)		5	5,150
Total Emerging Markets–Corporate Bonds (cost $109,109)			114,126

	Principal Amount (000)		U.S. $ Value
QUASI-SOVEREIGNS–0.1%			
QUASI-SOVEREIGN BONDS–0.1%			
MEXICO–0.1%			
Petroleos Mexicanos 6.75%, 09/21/2047 (cost $43,967)	U.S.$	50	$ 43,875
SHORT-TERM INVESTMENTS–16.1%			
U.S. TREASURY BILLS –15.1%			
U.S. Treasury Bill Zero Coupon, 07/27/2021-11/26/2021 (cost $5,629,703)		5,630	5,629,419
		Shares	
INVESTMENT COMPANIES–1.0%			
AB Fixed Income Shares, Inc.–Government Money Market Portfolio–Class AB, 0.01%(i)(j)(k) (cost $366,094)		366,094	366,094
Total Short-Term Investments (cost $5,995,797)			5,995,513
TOTAL INVESTMENTS–105.2% (cost $38,025,186)			39,113,810
Other assets less liabilities–(5.2)%			(1,941,747)
NET ASSETS–100.0%			$ 37,172,063

FUTURES (see Note D)

Description	Number of Contracts	Expiration Month	Current Notional	Value and Unrealized Appreciation/ (Depreciation)
Purchased Contracts				
U.S. T-Note 2 Yr (CBT) Futures	21	September 2021	$ 4,626,726	$ (8,252)
U.S. T-Note 5 Yr (CBT) Futures	7	September 2021	864,008	507
U.S. Ultra Bond (CBT) Futures	14	September 2021	2,697,625	96,394
Sold Contracts				
10 Yr Canadian Bond Futures	6	September 2021	704,356	(8,213)
				$ 80,436

FORWARD CURRENCY EXCHANGE CONTRACTS (see Note D)

Counterparty	Contracts to Deliver (000)		In Exchange For (000)		Settlement Date	Unrealized Appreciation/ (Depreciation)
Australia and New Zealand Banking Group Ltd.	AUD	1,001	USD	775	08/25/2021	$ 24,816
Bank of America, NA	USD	384	RUB	28,540	07/28/2021	4,413
Bank of America, NA	CHF	716	USD	785	08/05/2021	11,021
Citibank, NA	CAD	1,348	USD	1,077	07/16/2021	(10,571)
Morgan Stanley Capital Services, Inc.	USD	786	CHF	716	08/05/2021	(12,058)
Morgan Stanley Capital Services, Inc.	MYR	497	USD	120	09/23/2021	744
State Street Bank & Trust Co.	SEK	3,074	USD	370	07/15/2021	11,239
State Street Bank & Trust Co.	USD	1	SEK	5	07/15/2021	(3)
State Street Bank & Trust Co.	USD	131	CAD	158	07/16/2021	(3,145)
State Street Bank & Trust Co.	EUR	123	USD	151	08/03/2021	4,876
State Street Bank & Trust Co.	USD	72	EUR	60	08/03/2021	(67)
State Street Bank & Trust Co.	AUD	16	USD	12	08/25/2021	8
State Street Bank & Trust Co.	USD	16	AUD	21	08/25/2021	(440)
						$ 30,833

INTEREST RATE SWAPTIONS WRITTEN (see Note D)

Description	Index	Counterparty	Strike Rate	Expiration Date	Notional Amount (000)		Premiums Received	Market Value
Call								
OTC–1 Year Interest Rate Swap	3 Month LIBOR	Morgan Stanley Capital Services LLC	1.60%	08/26/2021	USD	954	$ 12,641	$ (18,583)

CENTRALLY CLEARED CREDIT DEFAULT SWAPS (see Note D)

Description	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at June 30, 2021	Notional Amount (000)	Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts							
Morgan Stanley & Co. LLC							
CDX-NAHY Series 34, 5 Year Index, 06/20/2025*	5.00%	Quarterly	2.36%	USD 132	$ 13,147	$ 5,863	$ 7,284
CDX-NAHY Series 36, 5 Year Index, 06/20/2026*	5.00	Quarterly	2.74	USD 212	21,896	19,404	2,492
					$ 35,043	$ 25,267	$ 9,776

* Termination date

CENTRALLY CLEARED INTEREST RATE SWAPS (see Note D)

Notional Amount (000)	Termination Date	Rate Type: Payments made by the Fund	Rate Type: Payments received by the Fund	Payment Frequency Paid/ Received	Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
SEK 15,600	08/30/2024	3 Month STIBOR	(0.165)%	Quarterly/ Annual	$ (23,127)	$ 10	$ (23,137)
USD 130	09/27/2029	1.593%	3 Month LIBOR	Semi-Annual/ Quarterly	(3,319)	–0–	(3,319)
USD 250	12/13/2029	1.764%	3 Month LIBOR	Semi-Annual/ Quarterly	(8,824)	–0–	(8,824)
CAD 78	03/03/2051	2.297%	3 Month CDOR	Semi-Annual	(1,407)	3	(1,410)
CAD 240	03/04/2051	2.333%	3 Month CDOR	Semi-Annual	(5,957)	–0–	(5,957)
					$ (42,634)	$ 13	$ (42,647)

CREDIT DEFAULT SWAPS (see Note D)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at June 30, 2021	Notional Amount (000)	Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
Buy Contracts							
Citigroup Global Markets, Inc.							
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)%	Monthly	5.05%	USD 7	$ 542	$ 1,398	$ (856)
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD 7	542	1,399	(857)
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD 119	9,229	23,290	(14,061)
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD 128	9,894	25,918	(16,024)
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD 298	23,110	58,852	(35,742)
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD 595	46,093	119,723	(73,630)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at June 30, 2021	Notional Amount (000)		Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
Buy Contracts (continued)								
Goldman Sachs International								
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)%	Monthly	5.05%	USD	51	$ 3,951	$ 8,787	$ (4,836)
JPMorgan Securities, LLC								
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD	68	5,256	13,627	(8,371)
Morgan Stanley & Co. International PLC								
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD	27	2,092	5,204	(3,112)
CDX-CMBX.NA.BBB- Series 9, 09/17/2058*	(3.00)	Monthly	5.05	USD	54	4,183	10,949	(6,766)
Sale Contracts								
Citigroup Global Markets, Inc.								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	1	(264)	(155)	(109)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	1	(264)	(124)	(140)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	2	(529)	(233)	(296)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	3	(792)	(367)	(425)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	4	(1,056)	(512)	(544)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	4	(1,056)	(415)	(641)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	5	(1,320)	(552)	(768)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	6	(1,585)	(759)	(826)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	7	(1,848)	(1,007)	(841)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	6	(1,585)	(735)	(850)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	6	(1,585)	(698)	(887)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	8	(2,113)	(1,048)	(1,065)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	7	(1,848)	(773)	(1,075)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	8	(2,112)	(979)	(1,133)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	9	(2,376)	(972)	(1,404)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	9	(2,377)	(953)	(1,424)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	12	(3,169)	(1,241)	(1,928)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at June 30, 2021	Notional Amount (000)		Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts (continued)								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00%	Monthly	10.00%	USD	14	$ (3,697)	$ (1,512)	$ (2,185)
Credit Suisse International								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	28	(7,394)	(1,868)	(5,526)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	56	(14,784)	(8,017)	(6,767)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	94	(24,824)	(5,868)	(18,956)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	318	(84,026)	(12,553)	(71,473)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	350	(92,429)	(19,546)	(72,883)
Deutsche Bank AG								
CDX-CMBX.NA.A Series 6, 05/11/2063*	2.00	Monthly	10.08	USD	135	(11,397)	(2,548)	(8,849)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	8	(2,113)	(905)	(1,208)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	8	(2,113)	(443)	(1,670)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	27	(7,130)	(2,979)	(4,151)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	28	(7,395)	(3,091)	(4,304)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	51	(13,468)	(6,201)	(7,267)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	132	(34,859)	(8,927)	(25,932)
Goldman Sachs International								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	4	(1,056)	(586)	(470)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	4	(1,056)	(346)	(710)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	8	(2,112)	(762)	(1,350)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	8	(2,113)	(705)	(1,408)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	14	(3,698)	(1,733)	(1,965)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	16	(4,226)	(1,667)	(2,559)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	28	(7,392)	(4,416)	(2,976)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	39	(10,296)	(6,239)	(4,057)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	41	(10,827)	(5,384)	(5,443)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	49	(12,940)	(4,086)	(8,854)

Swap Counterparty & Referenced Obligation	Fixed Rate (Pay) Receive	Payment Frequency	Implied Credit Spread at June 30, 2021	Notional Amount (000)		Market Value	Upfront Premiums Paid/ (Received)	Unrealized Appreciation/ (Depreciation)
Sale Contracts (continued)								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00%	Monthly	10.00%	USD	57	$ (15,053)	$ (5,860)	$ (9,193)
JPMorgan Securities, LLC								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	9	(2,376)	(1,108)	(1,268)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	18	(4,752)	(2,149)	(2,603)
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	51	(13,464)	(6,035)	(7,429)
Morgan Stanley Capital Services LLC								
CDX-CMBX.NA.BBB- Series 6, 05/11/2063*	3.00	Monthly	10.00	USD	35	(9,243)	(2,382)	(6,861)
						$ (327,220)	$ 139,708	$ (466,928)

* Termination date

** Principal amount less than 500.

(a) Security is exempt from registration under Rule 144A or Regulation S of the Securities Act of 1933. These securities are considered restricted, but liquid and may be resold in transactions exempt from registration. At June 30, 2021, the aggregate market value of these securities amounted to $8,674,281 or 23.3% of net assets.

(b) Securities are perpetual and, thus, do not have a predetermined maturity date. The date shown, if applicable, reflects the next call date.

(c) Floating Rate Security. Stated interest/floor/ceiling rate was in effect at June 30, 2021.

(d) Security in which significant unobservable inputs (Level 3) were used in determining fair value.

(e) Security is exempt from registration under Rule 144A or Regulation S of the Securities Act of 1933. These securities, which represent 0.20% of net assets as of June 30, 2021, are considered illiquid and restricted. Additional information regarding such securities follows:

144A/Restricted & Illiquid Securities	Acquisition Date	Cost	Market Value	Percentage of Net Assets
GSF Series 2021-1, Class A1 1.433%, 08/15/2026	02/25/2021	$ 18,944	$ 18,939	0.05%
GSF Series 2021-1, Class A2 2.435%, 08/15/2026	02/25/2021	21,609	21,421	0.06%
GSF Series 2021-1, Class AS 2.638%, 08/15/2026	02/25/2021	4,114	4,089	0.01%
Terraform Global Operating LLC 6.125%, 03/01/2026	02/08/2018	5,000	5,150	0.01%
Wells Fargo Credit Risk Transfer Securities Trust Series 2015-WF1, Class 1M2 5.342%, 11/25/2025	09/28/2015	19,222	18,692	0.05%
Wells Fargo Credit Risk Transfer Securities Trust Series 2015-WF1, Class 2M2 5.592%, 11/25/2025	09/28/2015	7,843	7,811	0.02%

(f) IO—Interest Only.

(g) Inverse interest only security.

(h) Position, or a portion thereof, has been segregated to collateralize OTC derivatives outstanding.

(i) Affiliated investments.

(j) To obtain a copy of the fund's shareholder report, please go to the Securities and Exchange Commission's website at www.sec.gov, or call AB at (800) 227-4618.

(k) The rate shown represents the 7-day yield as of period end.

Currency Abbreviations:

AUD—Australian Dollar
CAD—Canadian Dollar
CHF—Swiss Franc
EUR—Euro
MYR—Malaysian Ringgit
RUB—Russian Ruble
SEK—Swedish Krona
USD—United States Dollar

Glossary:

ABS—Asset-Backed Securities
CBT—Chicago Board of Trade
CDOR—Canadian Dealer Offered Rate
CDX-CMBX.NA—North American Commercial Mortgage-Backed Index
CDX-NAHY—North American High Yield Credit Default Swap Index
CMBS—Commercial Mortgage-Backed Securities
LIBOR—London Interbank Offered Rate
REIT—Real Estate Investment Trust
REMICs—Real Estate Mortgage Investment Conduits
SOFR—Secured Overnight Financing Rate
STIBOR—Stockholm Interbank Offered Rate
TBA—To Be Announced
TIPS—Treasury Inflation Protected Security

See notes to financial statements.

ASSETS	
Investments in securities, at value	
Unaffiliated issuers (cost $37,659,092)	$38,747,716
Affiliated issuers (cost $366,094)	366,094
Cash	323
Cash collateral due from broker	200,449
Foreign currencies, at value (cost $464)	477
Interest receivable	178,043
Market value on credit default swaps (net premiums paid $269,147)	104,892
Receivable for investment securities sold	89,531
Unrealized appreciation on forward currency exchange contracts	57,117
Receivable for capital stock sold	52,243
Receivable for variation margin on futures	11,069
Affiliated dividends receivable	3
Total assets	39,807,957
LIABILITIES	
Swaptions written, at value (premiums received $12,641)	18,583
Payable for investment securities purchased	1,775,404
Market value on credit default swaps (net premiums received $129,439)	432,112
Payable for capital stock redeemed	226,067
Unrealized depreciation on forward currency exchange contracts	26,284
Administrative fee payable	20,282
Advisory fee payable	13,930
Payable for variation margin on centrally cleared swaps	3,265
Foreign capital gains tax payable	2,860
Distribution fee payable	2,186
Transfer Agent fee payable	129
Accrued expenses and other liabilities	114,792
Total liabilities	2,635,894
NET ASSETS	$37,172,063
COMPOSITION OF NET ASSETS	
Capital stock, at par	$ 3,436
Additional paid-in capital	34,281,868
Distributable earnings	2,886,759
NET ASSETS	$37,172,063

Net Asset Value Per Share—1 billion shares of capital stock authorized, $.001 par value

Class	Net Assets	Shares Outstanding	Net Asset Value
A	$ 26,688,292	2,458,634	$ 10.85
B	$ 10,483,771	977,548	$ 10.72

See notes to financial statements.

INVESTMENT INCOME	
Interest	$ 600,698
Dividends—Affiliated issuers	29
	600,727
EXPENSES	
Advisory fee (see Note B)	88,016
Distribution fee—Class B	13,359
Transfer agency—Class A	1,763
Transfer agency—Class B	663
Custody and accounting	62,758
Administrative	39,336
Audit and tax	38,665
Printing	10,947
Legal	10,131
Directors' fees	9,523
Miscellaneous	3,291
Total expenses	278,452
Less: expenses waived and reimbursed by the Adviser (see Note B)	(128)
Net expenses	278,324
Net investment income	322,403
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENT AND FOREIGN CURRENCY TRANSACTIONS	
Net realized gain (loss) on:	
Investment transactions	288,223
Forward currency exchange contracts	66,299
Futures	(318,357)
Swaps	5,513
Foreign currency transactions	(109,229)
Net change in unrealized appreciation/depreciation of:	
Investments (a)	(882,876)
Forward currency exchange contracts	59,600
Futures	150,113
Swaps	(114,431)
Swaptions written	(5,942)
Foreign currency denominated assets and liabilities	(7,662)
Net loss on investment and foreign currency transactions	(868,749)
NET DECREASE IN NET ASSETS FROM OPERATIONS	$(546,346)

(a) Net of decrease in accrued foreign capital gains taxes on unrealized gains of $9,868.

See notes to financial statements.

	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income	$ 322,403	$ 819,646
Net realized gain (loss) on investment and foreign currency transactions	(67,551)	1,348,708
Net change in unrealized appreciation/depreciation of investments and foreign currency denominated assets and liabilities	(801,198)	241,431
Net increase (decrease) in net assets from operations	(546,346)	2,409,785
Distributions to Shareholders		
Class A	–0–	(1,056,131)
Class B	–0–	(355,053)
CAPITAL STOCK TRANSACTIONS		
Net decrease	(4,119,992)	(3,575,324)
Total decrease	(4,666,338)	(2,576,723)
NET ASSETS		
Beginning of period	41,838,401	44,415,124
End of period	$37,172,063	$41,838,401

See notes to financial statements.

NOTE A: Significant Accounting Policies

The AB Intermediate Bond Portfolio (the "Portfolio"), is a series of AB Variable Products Series Fund, Inc. (the "Fund"). The Portfolio's investment objective is to generate income and price appreciation without assuming what AllianceBernstein L.P. (the "Adviser") considers undue risk. The Portfolio is diversified as defined under the Investment Company Act of 1940. The Fund was incorporated in the State of Maryland as an open-end series investment company. The Fund offers 11 separately managed pools of assets which have differing investment objectives and policies. The Portfolio offers Class A and Class B shares. Both classes of shares have identical voting, dividend, liquidating and other rights, except that Class B shares bear a distribution expense and have exclusive voting rights with respect to the Class B distribution plan.

The Portfolio offers and sells its shares only to separate accounts of certain life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. Sales are made without a sales charge at the Portfolio's net asset value per share.

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The Portfolio is an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. The following is a summary of significant accounting policies followed by the Portfolio.

1. Security Valuation

Portfolio securities are valued at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are deemed unreliable, at "fair value" as determined in accordance with procedures established by and under the general supervision of the Fund's Board of Directors (the "Board").

In general, the market values of securities which are readily available and deemed reliable are determined as follows: securities listed on a national securities exchange (other than securities listed on the NASDAQ Stock Market, Inc. ("NASDAQ")) or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the last traded price from the previous day. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities listed only on NASDAQ are valued in accordance with the NASDAQ Official Closing Price; listed or over the counter ("OTC") market put or call options are valued at the mid level between the current bid and ask prices. If either a current bid or current ask price is unavailable, the Adviser will have discretion to determine the best valuation (e.g., last trade price in the case of listed options); open futures are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuation, the last available closing settlement price is used; U.S. Government securities and any other debt instruments having 60 days or less remaining until maturity are generally valued at market by an independent pricing vendor, if a market price is available. If a market price is not available, the securities are valued at amortized cost. This methodology is commonly used for short term securities that have an original maturity of 60 days or less, as well as short term securities that had an original term to maturity that exceeded 60 days. In instances when amortized cost is utilized, the Valuation Committee (the "Committee") must reasonably conclude that the utilization of amortized cost is approximately the same as the fair value of the security. Factors the Committee will consider include, but are not limited to, an impairment of the creditworthiness of the issuer or material changes in interest rates. Fixed-income securities, including mortgage-backed and asset-backed securities, may be valued on the basis of prices provided by a pricing service or at a price obtained from one or more of the major broker-dealers. In cases where broker-dealer quotes are obtained, the Adviser may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security. Swaps and other derivatives are valued daily, primarily using independent pricing services, independent pricing models using market inputs, as well as third party broker-dealers or counterparties. Open-end mutual funds are valued at the closing net asset value per share, while exchange traded funds are valued at the closing market price per share.

Securities for which market quotations are not readily available (including restricted securities) or are deemed unreliable are valued at fair value as deemed appropriate by the Adviser. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, analysis of the issuer's financial statements or other available documents. In addition, the Portfolio may use fair value pricing for securities primarily traded in non-U.S. markets because most foreign markets close well before the Portfolio values its securities at 4:00 p.m., Eastern Time. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim and may materially affect the value of those securities. To account for this, the Portfolio generally values many of its foreign equity securities using fair value prices based on third party vendor modeling tools to the extent available.

2. Fair Value Measurements

In accordance with U.S. GAAP regarding fair value measurements, fair value is defined as the price that the Portfolio would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a framework for measuring fair value, and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability (including those valued based on their market values as described in Note A.1 above). Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolio. Unobservable inputs reflect the Portfolio's own assumptions about the assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Each investment is assigned a level based upon the observability of the inputs which are significant to the overall valuation. The three-tier hierarchy of inputs is summarized 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 fair value of debt instruments, such as bonds, and over-the-counter derivatives is generally based on market price quotations, recently executed market transactions (where observable) or industry recognized modeling techniques and are generally classified as Level 2. Pricing vendor inputs to Level 2 valuations may include quoted prices for similar investments in active markets, interest rate curves, coupon rates, currency rates, yield curves, option adjusted spreads, default rates, credit spreads and other unique security features in order to estimate the relevant cash flows which are then discounted to calculate fair values. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level 3.

Where readily available market prices or relevant bid prices are not available for certain equity investments, such investments may be valued based on similar publicly traded investments, movements in relevant indices since last available prices or based upon underlying company fundamentals and comparable company data (such as multiples to earnings or other multiples to equity). Where an investment is valued using an observable input, such as another publicly traded security, the investment will be classified as Level 2. If management determines that an adjustment is appropriate based on restrictions on resale, illiquidity or uncertainty, and such adjustment is a significant component of the valuation, the investment will be classified as Level 3. An investment will also be classified as Level 3 where management uses company fundamentals and other significant inputs to determine the valuation.

Valuations of mortgage-backed or other asset-backed securities, by pricing vendors, are based on both proprietary and industry recognized models and discounted cash flow techniques. Significant inputs to the valuation of these instruments are value of the collateral, the rates and timing of delinquencies, the rates and timing of prepayments, and default and loss expectations, which are driven in part by housing prices for residential mortgages. Significant inputs are determined based on relative value analyses, which incorporate comparisons to instruments with similar collateral and risk profiles, including relevant indices. Mortgage and asset-backed securities for which management has collected current observable data through pricing services are generally categorized within Level 2. Those investments for which current observable data has not been provided are classified as Level 3.

Other fixed income investments, including non-U.S. government and corporate debt, are generally valued using quoted market prices, if available, which are typically impacted by current interest rates, maturity dates and any perceived credit risk of the issuer. Additionally, in the absence of quoted market prices, these inputs are used by pricing vendors to derive a valuation based upon industry or proprietary models which incorporate issuer specific data with relevant yield/spread comparisons with more widely quoted bonds with similar key characteristics. Those investments for which there are observable inputs are classified as Level 2. Where the inputs are not observable, the investments are classified as Level 3.

The following table summarizes the valuation of the Portfolio's investments by the above fair value hierarchy levels as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Investments in Securities:				
Assets:				
Corporates—Investment Grade	$ –0–	$ 8,655,482	$ –0–	$ 8,655,482
Commercial Mortgage-Backed Securities	–0–	6,361,669	44,449	6,406,118
Mortgage Pass-Throughs	–0–	5,088,562	–0–	5,088,562
Collateralized Mortgage Obligations	–0–	3,943,644	–0–	3,943,644
Governments—Treasuries	–0–	3,217,050	–0–	3,217,050
Inflation-Linked Securities	–0–	1,701,938	–0–	1,701,938
Corporates—Non-Investment Grade	–0–	1,661,745	–0–	1,661,745
Asset-Backed Securities	–0–	1,446,546	180,584	1,627,130
Local Governments—US Municipal Bonds	–0–	658,627	–0–	658,627
Emerging Markets—Corporate Bonds	–0–	114,126	–0–	114,126
Quasi-Sovereigns	–0–	43,875	–0–	43,875
Short-Term Investments:				
U.S. Treasury Bills	–0–	5,629,419	–0–	5,629,419
Investment Companies	366,094	–0–	–0–	366,094
Total Investments in Securities	366,094	38,522,683	225,033	39,113,810
Other Financial Instruments(a):				
Assets:				
Futures	96,901	–0–	–0–	96,901(b)
Forward Currency Exchange Contracts	–0–	57,117	–0–	57,117
Centrally Cleared Credit Default Swaps	–0–	35,043	–0–	35,043(b)
Credit Default Swaps	–0–	104,892	–0–	104,892
Liabilities:				
Futures	(16,465)	–0–	–0–	(16,465)(b)
Forward Currency Exchange Contracts	–0–	(26,284)	–0–	(26,284)
Interest Rate Swaptions Written	–0–	(18,583)	–0–	(18,583)
Centrally Cleared Interest Rate Swaps	–0–	(42,634)	–0–	(42,634)(b)
Credit Default Swaps	–0–	(432,112)	–0–	(432,112)
Total	**$446,530**	**$38,200,122**	**$225,033**	**$38,871,685**

(a) Other financial instruments are derivative instruments, such as futures, forwards and swaps, which are valued at the unrealized appreciation/(depreciation) on the instrument. Other financial instruments may also include swaps with upfront premiums, options written and swaptions written which are valued at market value.

(b) Only variation margin receivable/(payable) at period end is reported within the statement of assets and liabilities. This amount reflects cumulative unrealized appreciation/(depreciation) on futures and centrally cleared swaps as reported in the portfolio of investments. Where applicable, centrally cleared swaps with upfront premiums are presented here at market value.

3. Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward currency exchange contracts are translated into U.S. dollars at the mean of the quoted bid and ask prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment 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 amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation or depreciation of foreign currency denominated assets and liabilities.

4. Taxes

It is the Portfolio's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required. The Portfolio may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on income and/or capital gains earned or repatriated. Taxes are accrued and applied to net investment income, net realized gains and net unrealized appreciation/depreciation as such income and/or gains are earned.

In accordance with U.S. GAAP requirements regarding accounting for uncertainties in income taxes, management has analyzed the Portfolio's tax positions taken or expected to be taken on federal and state income tax returns for all open tax years (the current and the prior three tax years) and has concluded that no provision for income tax is required in the Portfolio's financial statements.

5. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date or as soon as the Portfolio is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date the securities are purchased or sold. Investment gains or losses are determined on the identified cost basis. The Portfolio amortizes premiums and accretes discounts as adjustments to interest income. The Portfolio accounts for distributions received from REIT investments or from regulated investment companies as dividend income, realized gain, or return of capital based on information provided by the REIT or the investment company.

6. Class Allocations

All income earned and expenses incurred by the Portfolio are borne on a pro-rata basis by each outstanding class of shares, based on the proportionate interest in the Portfolio represented by the net assets of such class, except for class specific expenses which are allocated to the respective class. Expenses of the Fund are charged proportionately to each portfolio or based on other appropriate methods. Realized and unrealized gains and losses are allocated among the various share classes based on respective net assets.

7. Dividends and Distributions

Dividends and distributions to shareholders, if any, are recorded on the ex-dividend date. Income dividends and capital gains distributions are determined in accordance with federal tax regulations and may differ from those determined in accordance with U.S. GAAP. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require such reclassification.

NOTE B: Advisory Fee and Other Transactions with Affiliates

Under the terms of the investment advisory agreement, the Portfolio pays the Adviser an advisory fee at an annual rate of .45% of the first $2.5 billion, .40% of the next $2.5 billion up to $5 billion, .35% of the excess over $5 billion up to $8 billion and .30% in excess of $8 billion, of the Portfolio's average daily net assets. The fee is accrued daily and paid monthly.

Pursuant to the investment advisory agreement, the Portfolio may reimburse the Adviser for certain legal and accounting services provided to the Portfolio by the Adviser. For the six months ended June 30, 2021, the reimbursement for such services amounted to $39,336.

The Portfolio compensates AllianceBernstein Investor Services, Inc. ("ABIS"), a wholly-owned subsidiary of the Adviser, under a Transfer Agency Agreement for providing personnel and facilities to perform transfer agency services for the Portfolio. Such compensation retained by ABIS amounted to $818 for the six months ended June 30, 2021.

The Portfolio may invest in AB Government Money Market Portfolio (the "Government Money Market Portfolio") which has a contractual annual advisory fee rate of .20% of the portfolio's average daily net assets and bears its own expenses. The Adviser has contractually agreed to waive .10% of the advisory fee of Government Money Market Portfolio (resulting in a net advisory fee of .10%) until August 31, 2022. In connection with the investment by the Portfolio in Government Money Market Portfolio, the Adviser has contractually agreed to waive its advisory fee from the Portfolio in an amount equal to the Portfolio's pro rata share of the effective advisory fee of Government Money Market Portfolio, as borne indirectly by the Portfolio as an acquired fund fee and expense. For the six months ended June 30, 2021, such waiver amounted to $128.

A summary of the Portfolio's transactions in AB mutual funds for the six months ended June 30, 2021 is as follows:

Portfolio	Market Value 12/31/20 (000)	Purchases at Cost (000)	Sales Proceeds (000)	Market Value 6/30/21 (000)	Dividend Income (000)
Government Money Market Portfolio	$765	$15,882	$16,281	$366	$0*

* Amount is less than $500.

During the second quarter of 2018, AXA S.A. ("AXA"), a French holding company for the AXA Group, completed the sale of a minority stake in its subsidiary, AXA Equitable Holdings, Inc. (now named Equitable Holdings, Inc.)("Equitable"), through an initial public offering. Equitable is the holding company for a diverse group of financial services companies, including an approximate 65% economic interest in the Adviser and a 100% interest in AllianceBernstein Corporation, the general partner of the Adviser. Since the initial sale, AXA has completed additional offerings (and related transactions). As a result, as of May 20, 2021, AXA no longer owns shares of Equitable.

Sales that were completed on November 13, 2019 resulted in the indirect transfer of a "controlling block" of voting securities of the Adviser (a "Change of Control Event") and may have been deemed to have been an "assignment" causing a termination of the Portfolio's investment advisory and administration agreements. In order to ensure that investment advisory and administration services could continue uninterrupted in the event of a Change of Control Event, the Board previously approved new investment advisory and administration agreements with the Adviser, and shareholders of the Portfolio subsequently approved the new investment advisory agreement. These agreements became effective on November 13, 2019.

NOTE C: Distribution Plan

The Portfolio has adopted a Distribution Plan (the "Plan") for Class B shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. Under the Plan, the Portfolio pays distribution and servicing fees to AllianceBernstein Investments, Inc. (the "Distributor"), a wholly-owned subsidiary of the Adviser, at an annual rate of up to .50% of the Portfolio's average daily net assets attributable to Class B shares. The fees are accrued daily and paid monthly. The Board currently limits payments under the Plan to .25% of the Portfolio's average daily net assets attributable to Class B shares. The Plan provides that the Distributor will use such payments in their entirety for distribution assistance and promotional activities.

The Portfolio is not obligated under the Plan to pay any distribution and servicing fees in excess of the amounts set forth above. The purpose of the payments to the Distributor under the Plan is to compensate the Distributor for its distribution services with respect to the sale of the Portfolio's Class B shares. Since the Distributor's compensation is not directly tied to its expenses, the amount of compensation received by it under the Plan during any year may be more or less than its actual expenses. For this reason, the Plan is characterized by the staff of the Securities and Exchange Commission as being of the "compensation" variety.

In the event that the Plan is terminated or not continued, no distribution or servicing fees (other than current amounts accrued but not yet paid) would be owed by the Portfolio to the Distributor.

The Plan also provides that the Adviser may use its own resources to finance the distribution of the Portfolio's shares.

NOTE D: Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the six months ended June 30, 2021 were as follows:

	Purchases	Sales
Investment securities (excluding U.S. government securities)	$ 5,972,403	$11,633,576
U.S. government securities	21,589,432	22,935,137

The cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes. Accordingly, gross unrealized appreciation and unrealized depreciation are as follows:

Gross unrealized appreciation	$1,489,125
Gross unrealized depreciation	(794,973)
Net unrealized appreciation	$ 694,152

1. Derivative Financial Instruments

The Portfolio may use derivatives in an effort to earn income and enhance returns, to replace more traditional direct investments, to obtain exposure to otherwise inaccessible markets (collectively, "investment purposes"), or to hedge or adjust the risk profile of its portfolio.

The principal types of derivatives utilized by the Portfolio, as well as the methods in which they may be used are:

- **Futures**

  The Portfolio may buy or sell futures for investment purposes or for the purpose of hedging its portfolio against adverse effects of potential movements in the market. The Portfolio bears the market risk that arises from changes in the value of these instruments and the imperfect correlation between movements in the price of the futures and movements in the price of the assets, reference rates or indices which they are designed to track. Among other things, the Portfolio may purchase or sell futures for foreign currencies or options thereon for non-hedging purposes as a means of making direct investment in foreign currencies, as described below under "Currency Transactions".

  At the time the Portfolio enters into futures, the Portfolio deposits and maintains as collateral an initial margin with the broker, as required by the exchange on which the transaction is effected. Such amount is shown as cash collateral due from broker on the statement of assets and liabilities. Pursuant to the contract, the Portfolio agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Portfolio as unrealized gains or losses. Risks may arise from the potential inability of a counterparty to meet the terms of the contract. The credit/counterparty risk for exchange-traded futures is generally less than privately negotiated futures, since the clearinghouse, which is the issuer or counterparty to each exchange-traded future, has robust risk mitigation standards, including the requirement to provide initial and variation margin. When the contract is closed, the Portfolio records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed.

  Use of long futures subjects the Portfolio to risk of loss in excess of the amounts shown on the statement of assets and liabilities, up to the notional value of the futures. Use of short futures subjects the Portfolio to unlimited risk of loss. Under some circumstances, futures exchanges may establish daily limits on the amount that the price of futures can vary from the previous day's settlement price, which could effectively prevent liquidation of unfavorable positions.

  During the six months ended June 30, 2021, the Portfolio held futures for hedging and non-hedging purposes.

- **Forward Currency Exchange Contracts**

  The Portfolio may enter into forward currency exchange contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchase and sale commitments denominated in foreign currencies and for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under "Currency Transactions".

  A forward currency exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on forward currency exchange contracts. Fluctuations in the value of open forward currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and/or depreciation by the Portfolio. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

  During the six months ended June 30, 2021, the Portfolio held forward currency exchange contracts for hedging and non-hedging purposes.

- **Option Transactions**

  For hedging and investment purposes, the Portfolio may purchase and write (sell) put and call options on U.S. and foreign securities, including government securities, and foreign currencies that are traded on U.S. and foreign securities exchanges and over-the-counter markets. Among other things, the Portfolio may use options transactions for non-hedging purposes as a means of making direct investments in foreign currencies, as described below under "Currency Transactions" and may use options strategies involving the purchase and/or writing of various combinations of call and/or put options, for hedging and investment purposes.

The risk associated with purchasing an option is that the Portfolio pays a premium whether or not the option is exercised. Additionally, the Portfolio bears the risk of loss of the premium and change in market value should the counterparty not perform under the contract. If a put or call option purchased by the Portfolio were permitted to expire without being sold or exercised, its premium would represent a loss to the Portfolio. Put and call options purchased are accounted for in the same manner as portfolio securities. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid.

When the Portfolio writes an option, the premium received by the Portfolio is recorded as a liability and is subsequently adjusted to the current market value of the option written. The Portfolio's maximum payment for written put options equates to the number of shares multiplied by the strike price. In certain circumstances maximum payout amounts may be partially offset by recovery values of the respective referenced assets and upfront premium received upon entering into the contract. Premiums received from written options which expire unexercised are recorded by the Portfolio on the expiration date as realized gains from options written. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium received is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium received is added to the proceeds from the sale of the underlying security or currency in determining whether the Portfolio has realized a gain or loss. If a put option is exercised, the premium received reduces the cost basis of the security or currency purchased by the Portfolio. In writing an option, the Portfolio bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Portfolio could result in the Portfolio selling or buying a security or currency at a price different from the current market value.

The Portfolio may also invest in options on swap agreements, also called "swaptions". A swaption is an option that gives the buyer the right, but not the obligation, to enter into a swap on a future date in exchange for paying a market-based "premium". A receiver swaption gives the owner the right to receive the total return of a specified asset, reference rate, or index. A payer swaption gives the owner the right to pay the total return on a specified asset, reference rate, or index. Swaptions also include options that allow an existing swap to be terminated or extended by one of the counterparties. The Portfolio's maximum payment for written put swaptions equates to the notional amount of the underlying swap. In certain circumstances maximum payout amounts may be partially offset by recovery values of the respective referenced assets and upfront premium received upon entering into the contract.

During the six months ended June 30, 2021, the Portfolio held written swaptions for hedging and non-hedging purposes.

- **Swaps**

The Portfolio may enter into swaps to hedge its exposure to interest rates, credit risk or currencies. The Portfolio may also enter into swaps for non-hedging purposes as a means of gaining market exposures, making direct investments in foreign currencies, as described below under "Currency Transactions." A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset. The payment flows are usually netted against each other, with the difference being paid by one party to the other. In addition, collateral may be pledged or received by the Portfolio in accordance with the terms of the respective swaps to provide value and recourse to the Portfolio or its counterparties in the event of default, bankruptcy or insolvency by one of the parties to the swap.

Risks may arise as a result of the failure of the counterparty to the swap to comply with the terms of the swap. The loss incurred by the failure of a counterparty is generally limited to the net interim payment to be received by the Portfolio, and/or the termination value at the end of the contract. Therefore, the Portfolio considers the creditworthiness of each counterparty to a swap in evaluating potential counterparty risk. This risk is mitigated by having a netting arrangement between the Portfolio and the counterparty and by the posting of collateral by the counterparty to the Portfolio to cover the Portfolio's exposure to the counterparty. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities. The Portfolio accrues for the interim payments on swaps on a daily basis, with the net amount recorded within unrealized appreciation/depreciation of swaps on the statement of assets and liabilities, where applicable. Once the interim payments are settled in cash, the net amount is recorded as realized gain/(loss) on swaps on the statement of operations, in addition to any realized gain/(loss) recorded upon the termination of swaps. Upfront premiums paid or received for swaps are recognized as cost or proceeds on the statement of assets and liabilities and are amortized on a straight line basis over the life of the contract. Amortized upfront premiums are included in net realized gain/(loss) from swaps on the statement of operations. Fluctuations in the value of swaps are recorded as a component of net change in unrealized appreciation/depreciation of swaps on the statement of operations.

Certain standardized swaps, including certain interest rate swaps and credit default swaps, are (or soon will be) subject to mandatory central clearing. Cleared swaps are transacted through futures commission merchants ("FCMs") that are members of central clearinghouses, with the clearinghouse serving as central counterparty, similar to transactions in futures contracts. Centralized clearing will be required for additional categories of swaps on a phased-in basis based on requirements published by the Securities and Exchange Commission and Commodity Futures Trading Commission.

At the time the Portfolio enters into a centrally cleared swap, the Portfolio deposits and maintains as collateral an initial margin with the broker, as required by the clearinghouse on which the transaction is effected. Such amount is shown as cash collateral due from broker on the statement of assets and liabilities. Pursuant to the contract, the Portfolio agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded by the Portfolio as unrealized gains or losses. Risks may arise from the potential inability of a counterparty to meet the terms of the contract. The credit/counterparty risk for centrally cleared swaps is generally less than non-centrally cleared swaps, since the clearinghouse, which is the issuer or counterparty to each centrally cleared swap, has robust risk mitigation standards, including the requirement to provide initial and variation margin. When the contract is closed, the Portfolio records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the time it was closed.

Interest Rate Swaps:
The Portfolio is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Because the Portfolio holds fixed rate bonds, the value of these bonds may decrease if interest rates rise. To help hedge against this risk and to maintain its ability to generate income at prevailing market rates, the Portfolio may enter into interest rate swaps. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional amount. The Portfolio may elect to pay a fixed rate and receive a floating rate, or, receive a fixed rate and pay a floating rate on a notional amount.

In addition, the Portfolio may also enter into interest rate swap transactions to preserve a return or spread on a particular investment or portion of its portfolio, or protecting against an increase in the price of securities the Portfolio anticipates purchasing at a later date. Interest rate swaps involve the exchange by a Portfolio with another party of their respective commitments to pay or receive interest (*e.g.*, an exchange of floating rate payments for fixed rate payments) computed based on a contractually-based principal (or "notional") amount. Interest rate swaps are entered into on a net basis (*i.e.*, the two payment streams are netted out, with the Portfolio receiving or paying, as the case may be, only the net amount of the two payments).

During the six months ended June 30, 2021, the Portfolio held interest rate swaps for hedging and non-hedging purposes.

Credit Default Swaps:
The Portfolio may enter into credit default swaps, including to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults by corporate and sovereign issuers held by the Portfolio, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed. The Portfolio may purchase credit protection ("Buy Contract") or provide credit protection ("Sale Contract") on the referenced obligation of the credit default swap. During the term of the swap, the Portfolio receives/(pays) fixed payments from/(to) the respective counterparty, calculated at the agreed upon rate applied to the notional amount. If the Portfolio is a buyer/(seller) of protection and a credit event occurs, as defined under the terms of the swap, the Portfolio will either (i) receive from the seller/(pay to the buyer) of protection an amount equal to the notional amount of the swap (the "Maximum Payout Amount") and deliver/(take delivery of) the referenced obligation or (ii) receive/(pay) a net

settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation. In certain circumstances Maximum Payout Amounts may be partially offset by recovery values of the respective referenced obligations, upfront premium received upon entering into the agreement, or net amounts received from settlement of buy protection credit default swaps entered into by the Portfolio for the same referenced obligations with the same counterparty.

Credit default swaps may involve greater risks than if a Portfolio had invested in the referenced obligation directly. Credit default swaps are subject to general market risk, liquidity risk, counterparty risk and credit risk. If the Portfolio is a buyer of protection and no credit event occurs, it will lose the payments it made to its counterparty. If the Portfolio is a seller of protection and a credit event occurs, the value of the referenced obligation received by the Portfolio coupled with the periodic payments previously received, may be less than the Maximum Payout Amount it pays to the buyer, resulting in a net loss to the Portfolio.

Implied credit spreads over U.S. Treasuries of comparable maturity utilized in determining the market value of credit default swaps on issuers as of period end are disclosed in the portfolio of investments. The implied spreads serve as an indicator of the current status of the payment/performance risk and typically reflect the likelihood of default by the issuer of the referenced obligation. The implied credit spread of a particular reference obligation also reflects the cost of buying/selling protection and may reflect upfront payments required to be made to enter into the agreement. Widening credit spreads typically represent a deterioration of the referenced obligation's credit soundness and greater likelihood of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced obligation.

During the six months ended June 30, 2021, the Portfolio held credit default swaps for hedging and non-hedging purposes.

The Portfolio typically enters into International Swaps and Derivatives Association, Inc. Master Agreements ("ISDA Master Agreement") with its OTC derivative contract counterparties in order to, among other things, reduce its credit risk to OTC counterparties. ISDA Master Agreements include provisions for general obligations, representations, collateral and events of default or termination. Under an ISDA Master Agreement, the Portfolio typically may offset with the OTC counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment (close-out netting) in the event of default or termination. In the event of a default by an OTC counterparty, the return of collateral with market value in excess of the Portfolio's net liability, held by the defaulting party, may be delayed or denied.

The Portfolio's ISDA Master Agreements may contain provisions for early termination of OTC derivative transactions in the event the net assets of the Portfolio decline below specific levels ("net asset contingent features"). If these levels are triggered, the Portfolio's OTC counterparty has the right to terminate such transaction and require the Portfolio to pay or receive a settlement amount in connection with the terminated transaction. If OTC derivatives were held at period end, please refer to netting arrangements by the OTC counterparty table below for additional details.

During the six months ended June 30, 2021, the Portfolio had entered into the following derivatives:

	Asset Derivatives		Liability Derivatives	
Derivative Type	**Statement of Assets and Liabilities Location**	**Fair Value**	**Statement of Assets and Liabilities Location**	**Fair Value**
Interest rate contracts	Receivable/Payable for variation margin on futures	$ 96,901*	Receivable/Payable for variation margin on futures	$ 16,465*
Credit contracts	Receivable/Payable for variation margin on centrally cleared swaps	9,776*		
Interest rate contracts			Receivable/Payable for variation margin on centrally cleared swaps	42,647*
Foreign currency contracts	Unrealized appreciation on forward currency exchange contracts	57,117	Unrealized depreciation on forward currency exchange contracts	26,284
Interest rate contracts			Swaptions written, at value	18,583
Credit contracts	Market value on credit default swaps	104,892	Market value on credit default swaps	432,112
Total		$268,686		$536,091

* Only variation margin receivable/payable at period end is reported within the statement of assets and liabilities. This amount reflects cumulative unrealized appreciation/(depreciation) on futures and centrally cleared swaps as reported in the portfolio of investments.

Derivative Type	**Location of Gain or (Loss) on Derivatives Within Statement of Operations**	**Realized Gain or (Loss) on Derivatives**	**Change in Unrealized Appreciation or (Depreciation)**
Interest rate contracts	Net realized gain (loss) on futures; Net change in unrealized appreciation/depreciation of futures	$(318,357)	$ 150,113
Foreign currency contracts	Net realized gain (loss) on forward currency exchange contracts; Net change in unrealized appreciation/ depreciation of forward currency exchange contracts	66,299	59,600
Interest rate contracts	Net realized gain (loss) on swaptions written; Net change in unrealized appreciation/depreciation of swaptions written	–0–	(5,942)
Interest rate contracts	Net realized gain (loss) on swaps; Net change in unrealized appreciation/ depreciation of swaps	(63,905)	(11,460)
Credit contracts	Net realized gain (loss) on swaps; Net change in unrealized appreciation/ depreciation of swaps	69,418	(102,971)
Total		$(246,545)	$ 89,340

The following table represents the average monthly volume of the Portfolio's derivative transactions during the six months ended June 30, 2021:

Futures:	
Average notional amount of buy contracts	$10,363,303
Average notional amount of sale contracts	$ 4,539,285
Forward Currency Exchange Contracts:	
Average principal amount of buy contracts	$ 3,781,674
Average principal amount of sale contracts	$ 6,133,189
Swaptions Written:	
Average notional amount	$ 954,000(a)
Centrally Cleared Interest Rate Swaps:	
Average notional amount	$ 5,520,879
Credit Default Swaps:	
Average notional amount of buy contracts	$ 1,394,286
Average notional amount of sale contracts	$ 1,737,900
Centrally Cleared Credit Default Swaps:	
Average notional amount of sale contracts	$ 452,309

(a) Positions were open for two months during the period.

For financial reporting purposes, the Portfolio does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the statement of assets and liabilities.

All OTC derivatives held at period end were subject to netting arrangements. The following table presents the Portfolio's derivative assets and liabilities by OTC counterparty net of amounts available for offset under ISDA Master Agreements ("MA") and net of the related collateral received/pledged by the Portfolio as of June 30, 2021. Exchange-traded derivatives and centrally cleared swaps are not subject to netting arrangements and as such are excluded from the table.

Counterparty	Derivative Assets Subject to a MA	Derivatives Available for Offset	Cash Collateral Received*	Security Collateral Received*	Net Amount of Derivative Assets
Australia and New Zealand Banking Group Ltd.	$ 24,816	$ –0–	$ –0–	$ –0–	$ 24,816
Bank of America, NA	15,434	–0–	–0–	–0–	15,434
Citibank, NA/Citigroup Global Markets, Inc.	89,410	(40,147)	–0–	–0–	49,263
Goldman Sachs International	3,951	(3,951)	–0–	–0–	–0–
JPMorgan Securities, LLC	5,256	(5,256)	–0–	–0–	–0–
Morgan Stanley & Co. International PLC/Morgan Stanley & Co. International PLC/Morgan Stanley Capital Services, Inc.	7,019	(7,019)	–0–	–0–	–0–
State Street Bank & Trust Co.	16,123	(3,655)	–0–	–0–	12,468
Total	$162,009	$(60,028)	$ –0–	$ –0–	$101,981^

Counterparty	Derivative Liabilities Subject to a MA	Derivatives Available for Offset	Cash Collateral Pledged*	Security Collateral Pledged*	Net Amount of Derivative Liabilities
Citibank, NA/Citigroup Global Markets, Inc.	$ 40,147	$(40,147)	$ –0–	$ –0–	$ –0–
Credit Suisse International	223,457	–0–	–0–	(223,457)	–0–
Deutsche Bank AG	78,475	–0–	–0–	–0–	78,475
Goldman Sachs International	70,769	(3,951)	–0–	–0–	66,818
JPMorgan Securities, LLC	20,592	(5,256)	–0–	–0–	15,336
Morgan Stanley & Co. International PLC/Morgan Stanley & Co. International PLC/Morgan Stanley Capital Services, Inc.	39,884	(7,019)	–0–	–0–	32,865
State Street Bank & Trust Co.	3,655	(3,655)	–0–	–0–	–0–
Total	$476,979	$(60,028)	$ –0–	$(223,457)	$193,494^

* The actual collateral received/pledged may be more than the amount reported due to over-collateralization.

^ Net amount represents the net receivable/payable that would be due from/to the counterparty in the event of default or termination. The net amount from OTC financial derivative instruments can only be netted across transactions governed under the same master agreement with the same counterparty.

2. Currency Transactions

The Portfolio may invest in non-U.S. Dollar-denominated securities on a currency hedged or unhedged basis. The Portfolio may seek investment opportunities by taking long or short positions in currencies through the use of currency-related derivatives, including forward currency exchange contracts, futures and options on futures, swaps, and other options. The Portfolio may enter into transactions for investment opportunities when it anticipates that a foreign currency will appreciate or depreciate in value but securities denominated in that currency are not held by the Portfolio and do not present attractive investment opportunities. Such transactions may also be used when the Adviser believes that it may be more efficient than a direct investment in a foreign currency-denominated security. The Portfolio may also conduct currency exchange contracts on a spot basis (i.e., for cash at the spot rate prevailing in the currency exchange market for buying or selling currencies).

3. TBA and Dollar Rolls

The Portfolio may invest in TBA mortgage-backed securities. A TBA, or "To Be Announced", trade represents a contract for the purchase or sale of mortgage-backed securities to be delivered at a future agree-upon date; however, the specific mortgage pool numbers or the number of pools that will be delivered to fulfill the trade obligation or terms of the contract are unknown at the time of the trade. Mortgage pools (including fixed-rate or variable-rate mortgages) guaranteed by the Government National Mortgage Association, or GNMA, the Federal National Mortgage Association, or FNMA, or the Federal Home Loan Mortgage Corporation, or FHLMC, are subsequently allocated to the TBA transactions.

The Portfolio may enter into certain TBA transactions known as dollar rolls. Dollar rolls involve sales by the Portfolio of securities for delivery in the current month and the Portfolio's simultaneously contracting to repurchase substantially similar (same type and coupon) securities on a specified future date. During the roll period, the Portfolio forgoes principal and interest paid on the securities. The Portfolio is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the "drop") as well as by the interest earned on the cash proceeds of the initial sale. Dollar rolls involve the risk that the market value of the securities the Portfolio is obligated to repurchase under the agreement may decline below the repurchase price. Dollar rolls are speculative techniques. For the six months ended June 30, 2021, the Portfolio earned drop income of $17,360 which is included in interest income in the accompanying statement of operations.

NOTE E: Capital Stock

Each class consists of 500,000,000 authorized shares. Transactions in capital shares for each class were as follows:

	SHARES		AMOUNT	
	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020
Class A				
Shares sold	102,639	137,413	$ 1,107,275	$ 1,476,072
Shares issued in reinvestment of dividends	–0–	97,250	–0–	1,056,131
Shares redeemed	(422,269)	(509,318)	(4,552,746)	(5,519,329)
Net decrease	(319,630)	(274,655)	$(3,445,471)	$(2,987,126)
Class B				
Shares sold	79,820	132,767	$ 846,004	$ 1,411,697
Shares issued in reinvestment of dividends	–0–	33,028	–0–	355,053
Shares redeemed	(142,671)	(222,779)	(1,520,525)	(2,354,948)
Net decrease	(62,851)	(56,984)	$ (674,521)	$ (588,198)

At June 30, 2021, certain shareholders of the Portfolio owned 80% in aggregate of the Portfolio's outstanding shares. Significant transactions by such shareholders, if any, may impact the Portfolio's performance.

NOTE F: Risks Involved in Investing in the Portfolio

Market Risk—The value of the Portfolio's assets will fluctuate as the stock or bond market fluctuates. The value of its investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events, including public health crises (including the occurrence of a contagious disease or illness), that affect large portions of the market.

Interest Rate Risk—Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of existing investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations. The current historically low interest rate environment heightens the risks associated with rising interest rates.

Credit Risk—An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security and accrued interest. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security.

Below Investment Grade Securities Risk—Investments in fixed-income securities with lower ratings ("junk bonds") tend to have a higher probability that an issuer will default or fail to meet its payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity and negative perceptions of the junk bond market generally, and may be more difficult to trade than other types of securities.

Duration Risk—Duration is a measure that relates the expected price volatility of a fixed-income security to changes in interest rates. The duration of a fixed-income security may be shorter than or equal to full maturity of a fixed-income security. Fixed-income securities with longer durations have more risk and will decrease in price as interest rates rise.

Inflation Risk—This is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of the Portfolio's assets can decline as can the value of the Portfolio's distributions. This risk is significantly greater if the Portfolio invests a significant portion of its assets in fixed-income securities with longer maturities.

Foreign (Non-U.S.) Risk—Investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be more difficult to trade due to adverse market, economic, political, regulatory or other factors.

Emerging Market Risk—Investments in emerging market countries may have more risk because the markets are less developed and less liquid, and because these investments may be subject to increased economic, political, regulatory or other uncertainties.

Currency Risk—Fluctuations in currency exchange rates may negatively affect the value of the Portfolio's investments or reduce its returns.

Mortgage-Related and/or Other Asset-Backed Securities Risk—Investments in mortgage-related and other asset-backed securities are subject to certain additional risks. The value of these securities may be particularly sensitive to changes in interest rates. These risks include "extension risk", which is the risk that, in periods of rising interest rates, issuers may delay the payment of principal, and "prepayment risk", which is the risk that in periods of falling interest rates, issuers may pay principal sooner than expected, exposing the Portfolio to a lower rate of return upon reinvestment of principal. Mortgage-backed securities offered by nongovernmental issuers and other asset-backed securities may be subject to other risks, such as higher rates of default in the mortgages or assets backing the securities or risks associated with the nature and servicing of mortgages or assets backing the securities.

Leverage Risk—When the Portfolio borrows money or otherwise leverages its investments, its performance may be volatile because leverage tends to exaggerate the effect of any increase or decrease in the value of the Portfolio's investments. The Portfolio may create leverage through the use of reverse repurchase arrangements, forward currency exchange contracts, forward commitments, dollar rolls or futures or by borrowing money. The use of other types of derivative instruments by the Portfolio, such as options and swaps, may also result in a form of leverage. Leverage may result in higher returns to the Portfolio than if the Portfolio were not leveraged, but may also adversely affect returns, particularly if the market is declining.

Illiquid Investments Risk—Illiquid investments risk exists when certain investments are or become difficult to purchase or sell. Difficulty in selling such investments may result in sales at disadvantageous prices affecting the value of your investment in the Portfolio. Causes of illiquid investments risk may include low trading volumes, large positions and heavy redemptions of Portfolio shares. lliquid investments risk may be higher in a rising interest rate environment, when the value and liquidity of fixed-income securities generally decline.

Derivatives Risk—The Portfolio may enter into derivative transactions such as forwards, options, futures and swaps. Derivatives may be illiquid, difficult to price, and leveraged so that small changes may produce disproportionate losses for the Portfolio, and subject to counterparty risk to a greater degree than more traditional investments. Derivatives may result in significant losses, including losses that are far greater than the value of the derivatives reflected on the statement of assets and liabilities.

LIBOR Transition and Associated Risk—A Portfolio may invest in debt securities, derivatives or other financial instruments that utilize the London Interbank Offered Rate, or "LIBOR," as a "benchmark" or "reference rate" for various interest rate calculations. The United Kingdom Financial Conduct Authority, which regulates LIBOR, will cease publishing certain LIBOR benchmarks at the end of 2021. Although certain LIBOR rates are intended to be published until June 2023, banks are strongly encouraged to cease entering into agreements with counterparties referencing LIBOR by the end of 2021. Although financial regulators and industry working groups have suggested alternative reference rates, such as the European Interbank Offer Rate, the Sterling Overnight Interbank Average Rate and the Secured Overnight Financing Rate, global consensus on alternative rates is lacking and the process for amending existing contracts or instruments to transition away from LIBOR is underway but remains incomplete. The elimination of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates could have an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect a Portfolio's performance and/or net asset value. Uncertainty and risk also remain regarding the willingness and ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition away from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, potentially adversely affecting a Portfolio's performance. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition may be exacerbated if the work necessary to effect an orderly transition to an alternative reference rate is not completed in a timely manner. Because the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

Indemnification Risk—In the ordinary course of business, the Portfolio enters into contracts that contain a variety of indemnifications. The Portfolio's maximum exposure under these arrangements is unknown. However, the Portfolio has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote. Therefore, the Portfolio has not accrued any liability in connection with these indemnification provisions.

Management Risk—The Portfolio is subject to management risk because it is an actively-managed investment fund. The Adviser will apply its investment techniques and risk analyses in making investment decisions for the Portfolio, but there is no guarantee that its techniques will produce the intended results. Some of these techniques may incorporate, or rely upon, quantitative models, but there is no guarantee that these models will generate accurate forecasts, reduce risk or otherwise perform as expected.

NOTE G: Joint Credit Facility

A number of open-end mutual funds managed by the Adviser, including the Portfolio, participate in a $325 million revolving credit facility (the "Facility") intended to provide short-term financing related to redemptions and other short term liquidity requirements, subject to certain restrictions. Commitment fees related to the Facility are paid by the participating funds and are included in miscellaneous expenses in the statement of operations. The Portfolio did not utilize the Facility during the six months ended June 30, 2021.

NOTE H: Distributions to Shareholders

The tax character of distributions to be paid for the year ending December 31, 2021 will be determined at the end of the current fiscal year. The tax character of distributions paid during the fiscal years ended December 31, 2020 and December 31, 2019 were as follows:

	2020	2019
Distributions paid from:		
Ordinary income	$1,411,184	$1,285,477
Total taxable distributions paid	$1,411,184	$1,285,477

As of December 31, 2020, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$1,363,985
Undistributed capital gains	198,097(a)
Other losses	(9,819)(b)
Unrealized appreciation/(depreciation)	1,880,842(c)
Total accumulated earnings/(deficit)	$3,433,105

(a) During the fiscal year, the Portfolio utilized $164,058 of capital loss carry forwards to offset current year net realized gains.

(b) As of December 31, 2020, the cumulative deferred loss on straddles was $9,819.

(c) The differences between book-basis and tax-basis unrealized appreciation/(depreciation) are attributable primarily to the recognition for tax purposes of unrealized gains/losses on certain derivative instruments, the tax treatment of Treasury inflation-protected securities, the amortization on callable bonds, the tax treatment of swaps, and the tax deferral of losses on wash sales.

For tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. Funds are permitted to carry forward capital losses for an indefinite period, and such losses will retain their character as either short-term or long-term capital losses. As of December 31, 2020, the Portfolio did not have any capital loss carryforwards.

NOTE I: Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2020-04, "Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting." ASU 2020-04 provides optional guidance to ease the potential accounting burden due to the discontinuation of the LIBOR and other interbank-offered based reference rates. ASU 2020-04 is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact, if any, of applying ASU 2020-04.

NOTE J: Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through the date the financial statements are issued. Management has determined that there are no material events that would require disclosure in the Portfolio's financial statements through this date.

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	CLASS A					
	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020	2019	2018	2017	2016
Net asset value, beginning of period	$10.99	$10.73	$10.21	$10.56	$10.65	$10.63
Income From Investment Operations						
Net investment income (a)	.09(b)	.22(b)	.26(b)	.23(b)	.23	.28†
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(.23)	.41	.57	(.31)	.14	.23
Contributions from Affiliates	–0–	–0–	.00(c)	–0–	.00(c)	–0–
Net increase (decrease) in net asset value from operations	(.14)	.63	.83	(.08)	.37	.51
Less: Dividends and Distributions						
Dividends from net investment income	–0–	(.37)	(.31)	(.13)	(.36)	(.35)
Distributions from net realized gain on investment transactions	–0–	–0–	–0–	(.14)	(.10)	(.14)
Total dividends and distributions	–0–	(.37)	(.31)	(.27)	(.46)	(.49)
Net asset value, end of period	$10.85	$10.99	$10.73	$10.21	$10.56	$10.65
Total Return						
Total investment return based on net asset value (d)*	(1.18)%	5.96%	8.20%	(.72)%	3.52%	4.71%†
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	$26,688	$30,529	$32,763	$33,267	$38,172	$42,183
Ratio to average net assets of:						
Expenses, net of waivers/ reimbursements	1.35%^	1.27%	1.26%	1.16%	1.11%	1.06%
Expenses, before waivers/ reimbursements	1.36%^	1.27%	1.27%	1.16%	1.11%	1.06%
Net investment income	1.72%(b)^	1.99%(b)	2.48%(b)	2.20%(b)	2.11%	2.60%†
Portfolio turnover rate**	72%	89%	75%	155%	216%	156%

See footnote summary on page 41.

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	CLASS B					
	Six Months Ended June 30, 2021 (unaudited)	Year Ended December 31, 2020	2019	2018	2017	2016
Net asset value, beginning of period	$10.87	$10.62	$10.10	$10.45	$10.54	$10.53
Income From Investment Operations						
Net investment income (a)	.08(b)	.19(b)	.23(b)	.20(b)	.20	.25†
Net realized and unrealized gain (loss) on investment and foreign currency transactions	(.23)	.41	.58	(.31)	.14	.22
Contributions from Affiliates	–0–	–0–	.00(c)	–0–	.00(c)	–0–
Net increase (decrease) in net asset value from operations	(.15)	.60	.81	(.11)	.34	.47
Less: Dividends and Distributions						
Dividends from net investment income	–0–	(.35)	(.29)	(.10)	(.33)	(.32)
Distributions from net realized gain on investment transactions	–0–	–0–	–0–	(.14)	(.10)	(.14)
Total dividends and distributions	–0–	(.35)	(.29)	(.24)	(.43)	(.46)
Net asset value, end of period	$10.72	$10.87	$10.62	$10.10	$10.45	$10.54
Total Return						
Total investment return based on net asset value (d)*	(1.38)%	5.64%	7.99%	(1.01)%	3.28%	4.36%†
Ratios/Supplemental Data						
Net assets, end of period (000's omitted)	$10,484	$11,309	$11,652	$12,054	$14,786	$16,029
Ratio to average net assets of:						
Expenses, net of waivers/reimbursements	1.61%^	1.52%	1.51%	1.41%	1.36%	1.32%
Expenses, before waivers/reimbursements	1.61%^	1.52%	1.52%	1.41%	1.36%	1.32%
Net investment income	1.46%(b)^	1.74%(b)	2.23%(b)	1.95%(b)	1.87%	2.36%†
Portfolio turnover rate**	72%	89%	75%	155%	216%	156%

See footnote summary on page 41.

(a) Based on average shares outstanding.

(b) Net of expenses waived/reimbursed by the Adviser.

(c) Amount is less than $.005.

(d) Total investment return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, and redemption on the last day of the period. Total return does not reflect (i) insurance company's separate account related expense charges and (ii) the deductions of taxes that a shareholder would pay on Portfolio distributions or the redemption of Portfolio shares. Total investment return calculated for a period of less than one year is not annualized.

† For the year ended December 31, 2016, the amount includes a refund for overbilling of prior years' custody out of pocket fees as follows:

Net Investment Income Per Share	Net Investment Income Ratio	Total Return
$.03	.28%	.29%

* Includes the impact of proceeds received and credited to the Portfolio resulting from class action settlements, which enhanced the Portfolio's performance for the years ended December 31, 2019, December 31, 2017 and December 31, 2016 by .03%, .03% and .03%, respectively.

** The Portfolio accounts for dollar roll transactions as purchases and sales.

^ Annualized.

See notes to financial statements.

OPERATION AND EFFECTIVENESS OF THE PORTFOLIO'S LIQUIDITY RISK MANAGEMENT PROGRAM:

In October 2016, the Securities and Exchange Commission ("SEC") adopted the open-end fund liquidity rule (the "Liquidity Rule"). In June 2018 the SEC adopted a requirement that funds disclose information about the operation and effectiveness of their Liquidity Risk Management Program ("LRMP") in their reports to shareholders.

One of the requirements of the Liquidity Rule is for the Portfolio to designate an Administrator of the Portfolio's Liquidity Risk Management Program. The Administrator of the Portfolio's LRMP is AllianceBernstein L.P., the Portfolio's investment adviser (the "Adviser"). The Adviser has delegated the responsibility to its Liquidity Risk Management Committee (the "Committee").

Another requirement of the Liquidity Rule is for the Portfolio's Board of Directors (the "Fund Board") to receive an annual written report from the Administrator of the LRMP, which addresses the operation of the Portfolio's LRMP and assesses its adequacy and effectiveness. The Adviser provided the Fund Board with such annual report during the first quarter of 2021, which covered the period January 1, 2020 through December 31, 2020 (the "Program Reporting Period").

The LRMP's principal objectives include supporting the Portfolio's compliance with limits on investments in illiquid assets and mitigating the risk that the Portfolio will be unable to meet its redemption obligations in a timely manner.

Pursuant to the LRMP, the Portfolio classifies the liquidity of its portfolio investments into one of the four categories defined by the SEC: Highly Liquid, Moderately Liquid, Less Liquid, and Illiquid. These classifications are reported to the SEC on Form N-PORT.

During the Program Reporting Period, the Committee reviewed whether the Portfolio's strategy is appropriate for an open-end structure, incorporating any holdings of less liquid and illiquid assets. If the Portfolio participated in derivative transactions, the exposure from such transactions were considered in the LRMP.

The Committee also performed an analysis to determine whether the Portfolio is required to maintain a Highly Liquid Investment Minimum ("HLIM"). The Committee also incorporated the following information when determining the Portfolio's reasonably anticipated trading size for purposes of liquidity monitoring: historical net redemption activity, a Portfolio's concentration in an issuer, shareholder concentration, investment performance, total net assets, and distribution channels.

The Adviser informed the Fund Board that the Committee believes the Portfolio's LRMP is adequately designed, has been implemented as intended, and has operated effectively since its inception. No material exceptions have been noted since the implementation of the LRMP. During the Program Reporting Period, beginning in March 2020, all financial markets experienced extreme levels of price volatility and relative illiquidity resulting from the COVID-19 impacts on the global economy. This extreme relative illiquidity resulted in significantly wider bid-ask spreads to transact in securities, including many of those securities held by the Portfolio, and in a diminished depth of liquidity in most markets, to varying degrees. Nonetheless, there were no liquidity events that impacted the Portfolio or its ability to timely meet redemptions during the Program Reporting Period.

INFORMATION REGARDING THE REVIEW AND APPROVAL OF THE FUND'S ADVISORY AGREEMENT

The disinterested directors (the "directors") of AB Variable Products Series Fund, Inc. (the "Company") approved the continuance of the Company's Advisory Agreement with the Adviser in respect of AB Intermediate Bond Portfolio (the "Fund") at a meeting held by video conference on November 3-5, 2020 (the "Meeting").

Prior to approval of the continuance of the Advisory Agreement, the directors had requested from the Adviser, and received and evaluated, extensive materials. They reviewed the proposed continuance of the Advisory Agreement with the Adviser and with experienced counsel who are independent of the Adviser, who advised on the relevant legal standards. The directors also reviewed additional materials, including comparative analytical data prepared by the Senior Analyst for the Fund. The directors also discussed the proposed continuance in private sessions with counsel.

The directors considered their knowledge of the nature and quality of the services provided by the Adviser to the Fund gained from their experience as directors or trustees of most of the registered investment companies advised by the Adviser, their overall confidence in the Adviser's integrity and competence they have gained from that experience, the Adviser's initiative in identifying and raising potential issues with the directors and its responsiveness, frankness and attention to concerns raised by the directors in the past, including the Adviser's willingness to consider and implement organizational and operational changes designed to improve investment results and the services provided to the AB Funds. The directors noted that they have four regular meetings each year, at each of which they review extensive materials and information from the Adviser, including information on the investment performance of the Fund and the money market fund advised by the Adviser in which the Fund invests a portion of its assets.

The directors also considered all factors they believed relevant, including the specific matters discussed below. During the course of their deliberations, the directors evaluated, among other things, the reasonableness of the advisory fee. The directors did not identify any particular information that was all-important or controlling, and different directors may have attributed different weights to the various factors. The directors determined that the selection of the Adviser to manage the Fund and the overall arrangements between the Fund and the Adviser, as provided in the Advisory Agreement, including the advisory fee, were fair and reasonable in light of the services performed, expenses incurred and such other matters as the directors considered relevant in the exercise of their business judgment. The material factors and conclusions that formed the basis for the directors' determinations included the following:

Nature, Extent and Quality of Services Provided

The directors considered the scope and quality of services provided by the Adviser under the Advisory Agreement, including the quality of the investment research capabilities of the Adviser and the other resources it has dedicated to performing services for the Fund. The directors noted that the Adviser from time to time reviews the Fund's investment strategies and from time to time proposes changes intended to improve the Fund's relative or absolute performance for the directors' consideration. They also noted the professional experience and qualifications of the Fund's portfolio management team and other senior personnel of the Adviser. The directors also considered that the Advisory Agreement provides that the Fund will reimburse the Adviser for the cost to it of providing certain clerical, accounting, administrative and other services to the Fund by employees of the Adviser or its affiliates. Requests for these reimbursements are made on a quarterly basis and subject to approval by the directors. Reimbursements, to the extent requested and paid, result in a higher rate of total compensation from the Fund to the Adviser than the fee rate stated in the Advisory Agreement. The directors noted that the methodology used to determine the reimbursement amounts had been reviewed by an independent consultant at the request of the directors. The quality of administrative and other services, including the Adviser's role in coordinating the activities of the Fund's other service providers, also was considered. The directors concluded that, overall, they were satisfied with the nature, extent and quality of services provided to the Fund under the Advisory Agreement.

Costs of Services Provided and Profitability

The directors reviewed a schedule of the revenues and expenses and related notes indicating the profitability of the Fund to the Adviser for calendar years 2018 and 2019 that had been prepared with an expense allocation methodology arrived at in consultation with an independent consultant at the request of the directors. The directors noted the assumptions and methods of allocation used by the Adviser in preparing fund-specific profitability data and understood that there are a number of potentially acceptable allocation methodologies for information of this type. The directors noted that the profitability information reflected all revenues and expenses of the Adviser's relationship with the Fund, including those relating to its subsidiaries that provide transfer agency and distribution services to the Fund. The directors recognized that it is difficult to make comparisons of the profitability of the Advisory Agreement with the profitability of fund advisory contracts for unaffiliated funds because comparative information is not generally publicly available and is affected by numerous factors. The directors focused on the profitability of the Adviser's relationship with the Fund before taxes and distribution expenses. The directors concluded that the Adviser's level of profitability from its relationship with the Fund was not unreasonable.

Fall-Out Benefits

The directors considered the other benefits to the Adviser and its affiliates from their relationships with the Fund and the money market fund advised by the Adviser in which the Fund invests, including, but not limited to, benefits relating to 12b-1 fees and sales charges received by the Fund's principal underwriter (which is a wholly owned subsidiary of the Adviser) in respect of the Fund's Class B shares; and transfer agency fees paid by the Fund to a wholly owned subsidiary of the Adviser. The directors recognized that the Adviser's profitability would be somewhat lower without these benefits. The directors understood that the Adviser also might derive reputational and other benefits from its association with the Fund.

Investment Results

In addition to the information reviewed by the directors in connection with the Meeting, the directors receive detailed performance information for the Fund at each regular Board meeting during the year.

At the Meeting, the directors reviewed performance information prepared by an independent service provider (the "15(c) service provider"), showing the performance of the Class A Shares of the Fund against a group of similar funds ("peer group") and a larger group of similar funds ("peer universe"), each selected by the 15(c) service provider, and information prepared by the Adviser showing performance of the Class A Shares against a broad-based securities market index, in each case for the 1-, 3-, 5- and 10-year periods ended July 31, 2020 and (in the case of comparisons with the broad-based securities market index) for the period from inception. Based on their review, the directors concluded that the Fund's investment performance was acceptable.

Advisory Fees and Other Expenses

The directors considered the advisory fee rate payable by the Fund to the Adviser and information prepared by the 15(c) service provider concerning advisory fee rates payable by other funds in the same category as the Fund. The directors recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees payable by other funds. The directors compared the Fund's contractual effective advisory fee rate with a peer group median and noted that it was above the median. The directors took into account the impact on the advisory fee rate of the administrative expense reimbursement paid to the Adviser in the latest fiscal year.

The directors also considered the Adviser's fee schedule for other clients utilizing investment strategies similar to those of the Fund. For this purpose, they reviewed the relevant advisory fee information from the Adviser's Form ADV and in a report from the Fund's Senior Analyst and noted the differences between the Fund's fee schedule, on the one hand, and the Adviser's institutional fee schedule and the schedule of fees charged by the Adviser to any offshore funds and for services to any sub-advised funds utilizing investment strategies similar to those of the Fund, on the other. The directors noted that the Adviser may, in some cases, agree to fee rates with large institutional clients that are lower than those reviewed by the directors and that they had previously discussed with the Adviser its policies in respect of such arrangements. The directors previously discussed these matters with an independent fee consultant. The directors also compared the advisory fee rate for the Fund with that for another fund advised by the Adviser utilizing similar investment strategies.

The Adviser reviewed with the directors the significantly greater scope of the services it provides to the Fund relative to institutional, offshore fund and sub-advised fund clients. In this regard, the Adviser noted, among other things, that, compared to institutional and offshore or sub-advisory accounts, the Fund (i) demands considerably more portfolio management, research and trading resources due to significantly higher daily cash flows; (ii) has more tax and regulatory restrictions and compliance obligations; (iii) must prepare and file or distribute regulatory and other communications about fund operations; and (iv) must provide shareholder servicing to retail investors. The Adviser also reviewed the greater legal risks presented by the large and changing population of Fund shareholders who may assert claims against the Adviser in individual or class actions, and the greater entrepreneurial risk in offering new fund products, which require substantial investment to launch, may not succeed, and generally must be priced to compete with larger, more established funds resulting in lack of profitability to the Adviser until a new fund achieves scale. In light of the substantial differences in services rendered by the Adviser to institutional, offshore fund and sub-advised fund clients as compared to the Fund, and the different risk profile, the directors considered these fee comparisons inapt and did not place significant weight on them in their deliberations.

In connection with their review of the Fund's advisory fee, the directors also considered the total expense ratio of the Class A shares of the Fund in comparison to a peer group and a peer universe selected by the 15(c) service provider. The Class A expense ratio of the Fund was based on the Fund's latest fiscal year. The directors noted that it was likely that the expense ratios of some of the other funds in the Fund's category were lowered by waivers or reimbursements by those funds' investment advisers, which in some cases might be voluntary or temporary. The directors view expense ratio information as relevant to their evaluation of the Adviser's services because the Adviser is responsible for coordinating services provided to the Fund by others. The directors noted that the Fund's expense ratio was above the medians. After reviewing and discussing the Adviser's explanations of the reasons for this, the directors concluded that the Fund's expense ratio was acceptable.

Economies of Scale

The directors noted that the advisory fee schedule for the Fund contains breakpoints that reduce the fee rates on assets above specified levels. The directors took into consideration prior presentations by an independent consultant on economies of scale in the mutual fund industry and for the AB Funds, and presentations from time to time by the Adviser concerning certain of its views on economies of scale. The directors also previously discussed economies of scale with an independent fee consultant. The directors also had requested and received from the Adviser certain updates on economies of scale in advance of the Meeting. The directors believe that economies of scale may be realized (if at all) by the Adviser across a variety of products and services, and not only in respect of a single fund. The directors noted that there is no established methodology for setting breakpoints that give effect to the fund-specific services provided by a fund's adviser and to the economies of scale that an adviser may realize in its overall mutual fund business or those components of it which directly or indirectly affect a fund's operations. The directors observed that in the mutual fund industry as a whole, as well as among funds similar to the Fund, there is no uniformity or pattern in the fees and asset levels at which breakpoints (if any) apply. The directors also noted that the advisory agreements for many funds do not have breakpoints at all. Having taken these factors into account, the directors concluded that the Fund's shareholders would benefit from a sharing of economies of scale in the event the Fund's net assets exceed a breakpoint in the future.

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