



PORTFOLIO UPDATE

Government Money Portfolio

As of June 30, 2020

Portfolio Manager:	Managed Portfolio Since:	Joined Firm:
Joe Lynagh	2009	1990
Doug Spratley	2020	2008

MARKET COMMENTARY

The Federal Reserve (Fed) held its policy interest rate steady in June, as expected, and announced that it will continue purchasing Treasuries and agency mortgage-backed securities at its current pace. Updated economic projections from the central bank revealed that nearly all Fed policymakers foresee no interest rate adjustments through at least 2022. During several public statements, Fed Chair Jerome Powell struck a somber tone by highlighting the "long road" ahead for a full recovery in the labor market and reiterating the potential need for additional fiscal stimulus. Chair Powell also disappointed some equity and credit investors by not committing to a policy of yield curve control, in which the Fed would effectively limit yields for Treasuries of specific maturities.

INVESTMENT OBJECTIVE

The fund's goals are preservation of capital, liquidity, and, consistent with these, the highest possible current income.

Due to improving conditions in the repo market, the Federal Reserve Bank of New York adjusted its daily liquidity operations and increased the minimum interest rate for cash bids from primary dealers. By the end of June, most investors anticipated further increases to the bid rate in the coming months, provided that the supply of reserves in the repo market remains adequate.

PORTFOLIO INFORMATION

Symbol	N/A
CUSIP	77954R203
Inception Date of Portfolio	December 31, 1996
Benchmark	LPR VAU MM Av
Expense Information (as of the most recent Prospectus)	0.55%
Fiscal Year End	December 31
12B-1 Fee	-

Treasury yields finished broadly flat over the month. U.S. government debt yields increased early in June, driven by strong economic data and heavy issuance of corporate bonds that drew investors away from Treasuries. However, Treasury yields decreased following the Fed's dovish outlook and continued to trend downward as rising coronavirus infections in large portions of the U.S. cast doubts on the viability of a near-term economic recovery. The 10-year Treasury note yield settled June 30 at 0.66%, up slightly from 0.65% at the end of May.

Despite uncertainty surrounding the economic outlook, the latest data indicated strong initial momentum for U.S. economic growth. Employment figures for May stunned market participants, as nonfarm payrolls rose by 2.5 million versus estimates for a decline of 8 million. Retail sales and pending home sales posted record gains, and durable goods orders solidly rebounded in May.

PERFORMANCE

(NAV, total return)

	One Month	Three Months	Year-to-Date	One Year	Annualized				7-Day Yield* w/o Waiver	
					Three Years	Five Years	Ten Years	Fifteen Years		
Government Money Portfolio	0.00%	0.01%	0.25%	1.01%	1.18%	0.73%	0.37%	1.19%	0.01%	-0.33%
Lipper Variable Annuity Underlying Money Market Funds Average	0.01	0.05	0.33	1.18	1.37	0.88	0.44	-0.85	-	-

Performance data quoted represents past performance and is not a reliable indicator of future performance. Investment return and yield will fluctuate. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance, visit troweprice.com. Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, call 1-800-638-7780 or visit troweprice.com. Read it carefully. The Portfolio's total return figures reflect the reinvestment of dividends and capital gains, if any.

Figures shown do not reflect fees at the insurance product or contract level; if these fees were included, returns would be lower.

The performance for the periods prior to May 1, 2016 reflects the performance of the fund when it operated as a prime money market fund and invested in certain types of securities that it is no longer permitted to hold. Performance prior to this conversion may have been different if the current investment limitations had been in effect.

The fund's yield more closely reflects its current earnings than does the total return.

*In an effort to maintain a zero or positive net yield, T. Rowe Price may voluntarily waive or reimburse all or a portion of the management fee and operating expenses it is entitled to receive from the fund. The 7-day yield without waiver represents what the yield would have been if we were not waiving those fees. In addition, the fund's performance without the fee waiver or reimbursement would also have been lower. This voluntary waiver is in addition to any contractual expense ratio limitation in effect for the fund and may be amended or terminated at any time without prior notice. Please see the prospectus for more details.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. For Sourcing Information, please see Additional Disclosures.

TOP 10 HOLDINGS

Comprising 43.5% of total net assets.

	% of Portfolio
Federal Home Loan Banks	5.3%
U.S. Treasury Bill	4.8
Federal Home Loan Bank Discount Notes	4.8
U.S. Treasury Bill	4.6
Federal Home Loan Bank Discount Notes	4.5
U.S. Treasury Bill	4.2
U.S. Treasury Bill	4.0
U.S. Treasury Bill	4.0
CREDIT AGRICOLE MORTGAGE REPO	3.7
U.S. Treasury Bill	3.7

Holdings are as of the date indicated and are subject to change.

PORTFOLIO CHARACTERISTICS

	Government Money Portfolio
Number of Holdings	41
Weighted Average Maturity	45.1 days
Percent of Portfolio in Cash	100.0%
Total Assets (all share classes)	37,884,380

SECURITY DIVERSIFICATION

	US Treas- ury Bills	Other US Govern- ment & Agencies	Repurch- ase Agree- ments	Other As- sets Less Liabilities
Government Money Portfolio	62.2%	35.9%	3.7%	-1.8%

MATURITY DIVERSIFICATION

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 180 Days
Government Money Portfolio	44.6%	24.4%	20.6%	5.4%	5.0%

For Sourcing Information, please see Additional Disclosures.

Definitions

Weighted Average Effective Duration is a calculation that seeks to measure the price sensitivity of a bond Portfolio to changes in interest rates. In general, the longer the average duration, the greater the Portfolio's sensitivity to interest rates.

Additional Disclosures

The specific securities identified and described do not represent all of the securities purchased or sold for this Portfolio. This information is not intended to be a recommendation to take any particular investment action and is subject to change. No assumption should be made that the securities identified and discussed were or will be profitable.

Source for Lipper data: Lipper Inc.

Lipper Data (excluding Performance and Risk Return exhibits) is estimated by T. Rowe Price based on information provided by Lipper, Inc., and LionShares. T. Rowe Price identifies the funds that compose the Lipper index and builds an aggregate portfolio for the index based on each fund's holdings as provided by LionShares. Please note that the portfolio holdings for each fund within the index are based on the most recent public information that is available, and since the funds have different reporting periods, some of this information may not be current.

T. Rowe Price uses a custom structure for security diversification for this product.

Diversification exhibits may not add to 100% due to exclusion or inclusion of cash.

Source for Maturity Diversification: T Rowe Price.

Certain numbers in this report may not equal stated totals due to rounding. Unless otherwise stated, data is as of the report date.

Unless indicated otherwise the source of all data is T. Rowe Price.

This material should not be deemed a recommendation to buy or sell any of the securities mentioned.

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