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Rob Kapito  
President

Investment Objective

GROWTH OF \$10,000 INVESTMENT

-

Expense Example

	Actual			Hypothetical 5% Return			Annualized Expense Ratio
	Beginning Account Value (07/01/22)	Ending Account Value (12/31/22)	Expenses Paid During the Period <sup>(a)</sup>	Beginning Account Value (07/01/22)	Ending Account Value (12/31/22)	Expenses Paid During the Period <sup>(a)</sup>	
Class I .....	\$ 1,000.00	\$ 937.30	\$ 3.91	\$ 1,000.00	\$ 1,021.17	\$ 4.08	0.80%
Class III .....	1,000.00	936.20	5.17	1,000.00	1,019.86	5.40	1.06

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

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

## Disclosure of Expenses

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

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

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

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

# Schedule of Investments

December 31, 2022

BlackRock Capital Appreciation V.I. Fund  
(Percentages shown are based on Net Assets)

Security	Shares	Value
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## Common Stocks

### Aerospace & Defense — 2.7%

TransDigm Group, Inc. . . . .	6,795	\$ 4,278,472
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### Automobiles — 1.9%

Tesla, Inc.(a) . . . . .	23,839	2,936,488
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### Capital Markets — 5.3%

Blackstone, Inc. . . . .	25,639	1,902,158
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MSCI, Inc. . . . .	3,864	1,797,417
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S&P Global, Inc. . . . .	13,911	4,659,350
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8,358,925

### Chemicals — 1.4%

Sherwin-Williams Co. (The) . . . . .	9,058	2,149,735
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### Commercial Services & Supplies — 2.0%

Cintas Corp. . . . .	4,035	1,822,286
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Waste Connections, Inc. . . . .	9,921	1,315,128
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3,137,414

### Equity Real Estate Investment Trusts (REITs) — 0.6%

Prologis, Inc. . . . .	8,218	926,415
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### Health Care Equipment & Supplies — 5.5%(a)

Boston Scientific Corp. . . . .	53,710	2,485,162
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IDEXX Laboratories, Inc. . . . .	6,421	2,619,511
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Intuitive Surgical, Inc. . . . .	13,911	3,691,284
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8,795,957

### Health Care Providers & Services — 3.7%

UnitedHealth Group, Inc. . . . .	11,018	5,841,523
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### Hotels, Restaurants & Leisure — 3.1%

Chipotle Mexican Grill, Inc.(a) . . . . .	1,506	2,081,466
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2,081,466

2,081,466 Td (l) Tj 1.824 0 Td (l) Tj 1.456 0 Td (e) Tj 5.4.272 0 Td (. 0 Td 6 8 Tf -261.15207 -9.82419 Td (E) Tj 4



Schedule of Investments (continued)

BlackRock Capital Appreciation VI. Fund  
(Percentages shown are based on Net Assets)

December 31, 2022

- (b) Non-convertible preferred security.
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. These securities may be resold in a transaction exempt from registration to qualified institutional investors.
- (d) These securities may be resold to qualified foreign investors and foreign institutional buyers under the Uniform Securities Act of 1933.
- (e) All restricted preference securities in the fund.
- (f) Restricted security as to resale, excluding 144A securities. The fund held restricted securities with a current value of \$1,596,979, representing 1.00% of its net assets as of period end, and an annual cost of \$1,061,774.
- (g) Security value determined using significant unobservable inputs and classified as Level 3 in the fair value hierarchy.
- (h) Affiliated fund.
- (i) Annualized 7-day yield as of period end.
- (j) All restricted preference securities were purchased with proceeds from collateralized mortgage investments.

Affiliates

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

Affiliated Issuer	Value at 12/31/21	Purchases at Cost	Proceeds from Sale	Net Realized Gain (Loss)	Change in Unrealized Appreciation (Depreciation)	Value at 12/31/22	Shares Held at 12/31/22	Income	Capital Gain Distributions from Underlying Funds
BlackRock Liquidity Funds, Institutional Class. . . . .	\$ 81,873	\$ 329,175 <sup>(a)</sup>	\$ —	\$ —	\$ —	\$ 411,048	411,048	\$ 56,093	\$ —
SL Liquidity Series, LLC, Money Market Series . . . . .	9,875,432	—	(9,299,070) <sup>(a)</sup>	300	379	577,041	577,099	9,083 <sup>(i)</sup>	—
				\$ 300	\$ 379	\$ 988,089		\$ 65,176	\$ —

- (a) Represents net amount purchased (sold).
- (i) All restricted preference securities in the fund were purchased with proceeds from collateralized mortgage investments, net of fees and collateral investment expenses, and their average yield as of period end is 1.45%.



# Schedule of Investments (continued)

BlackRock Capital Appreciation V.I. Fund

December 31, 2022

The following table summarizes the valuation approaches used and unobservable inputs utilized by the BlackRock Global Valuation Methodologies Committee (the "Global Valuation Committee")

# Statement of Assets and Liabilities

December 31, 2022

# Statement of Assets and Liabilities (continued)

December 31, 2022

BlackRock Capital  
Appreciation V.I.  
Fund

## NET ASSET VALUE

### Class I

Net assets	\$ 100,145,944
Shares outstanding	16,646,652
Net asset value	\$ 6.02
Shares authorized	100 million
Par value	\$ 0.10

### Class III

Net assets	\$ 58,792,612
Shares outstanding	10,213,382
Net asset value	\$ 5.76
Shares authorized	100 million
Par value	\$ 0.10

See notes to financial statements.

# Statement of Operations

Year Ended December 31, 2022

BlackRock Capital  
Appreciation V.I.  
Fund

## INVESTMENT INCOME

Dividends — unaf'liated . . . . .	\$ 1,313,263
Dividends — af'liated . . . . .	56,093
Securities lending income — af'liated — net . . . . .	9,083
Foreign taxes withheld . . . . .	(35,612)
Total investment income . . . . .	<u>1,342,827</u>

## EXPENSES

Investment advisory . . . . .	1,213,829
Transfer agent — class speci'c . . . . .	373,234
Distribution — class speci'c . . . . .	165,100
Professional . . . . .	63,716
Accounting services . . . . .	56,025
Custodian . . . . .	12,884
Directors and Of'cer . . . . .	8,199
Transfer agent . . . . .	5,705
Miscellaneous . . . . .	4,706
Total expenses . . . . .	<u>1,903,398</u>
Less:	
Transfer agent fees reimbursed by the Manager — class speci'c . . . . .	(235,910)
Fees waived and/or reimbursed by the Manager . . . . .	(2,331)
Total expenses after fees waived and/or reimbursed . . . . .	<u>1,665,157</u>
Net investment loss . . . . .	<u>(322,330)</u>

REALIZED AND UNREALIZED GAINS AND LOSSES

# Statements of Changes in Net Assets

BlackRock Capi

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## Financial Highlights



**Financial Highlights** (continued)  
(For a share outstanding throughou

## Notes to Financial Statements

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

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

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. The Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

**Investment Transactions and Income Recognition:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are executed. Realized gains and losses on investment transactions are determined using the specific identification method. Dividend income and capital gain distributions, if any, are recorded on the ex-dividend dates. Non-cash dividends, if any, are recorded on the ex-dividend dates at fair value. Dividends from foreign securities where the ex-dividend dates may have passed are subsequently recorded when the Fund is informed of the ex-dividend dates. Under the applicable foreign tax laws, a withholding tax at various rates may be imposed on capital gains, dividends and interest. Upon notification from issuers, a portion of the dividend income received from a real estate investment trust

## Notes to Financial Statements (continued)

of the Fund's Manager as the valuation designee fo







## Notes to Financial Statements (continued)

U.S. GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or NAVs per share. As of period end, permanent differences attributable to nondeductible expenses were reclassified to the following accounts:

Fund Name	Paid-In Capital	Accumulated Earnings (Loss)
BlackRock Capital Appreciation V.I. Fund. . . . .	\$ (317,880)	\$ 317,880

The tax character of distributions paid was as follows:

Fund Name	Year Ended 12/31/22	Year Ended 12/31/21
BlackRock Capital Appreciation V.I. Fund		
Long-term capital gains . . . . .	9,047,460	48,003,301

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

## Notes to Financial Statements (continued)

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# Report of Independent Registered Public Accounting Firm

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

## Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statement of assets and liabilities of BlackRock Capital Appreciation V.I. Fund of BlackRock Variable Series Funds, Inc. (the "Fund"), including the schedule of investments, as of December 31, 2022, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2022, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its i

# Glossary of Terms Used in this Report

## Portfolio Abbreviation

ADR	American Depositary Receipts
NYRS	New York Registered Shares
S&P	Standard & Poor's

# Statement Regarding Liquidity Risk Management Program

In compliance with Rule 22e-4 under the Investment Company Act of 1940, as amended (the "Liquidity Rule"), BlackRock Variable Series Funds, Inc. ("Variable Series Funds") and BlackRock Variable Series Funds II, Inc. ("Variable Series Funds II" and together with Variable

## Director and Officer Information













Director and Officer Information (continued)

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

Name Year of Birth <sup>(b)</sup>	Position(s) Held (Length of Service)	Principal Occupation(s) During Past 5 Years
Jennifer McGovern 1977	Vice President (Since 2014)	Managing Director of BlackRock, Inc. since 2016; Director of BlackRock, Inc. from 2011 to 2015; Head of Americas Product Development and Governance for BlackRock's Global Product Group since 2019; Head of Product Structure and Oversight for BlackRock's U.S. Wealth Advisory Group from 2013 to 2019.
Trent Walker 1974	Chief Financial Officer 2013 to 2019.	

## Additional Information

### General Information

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

### Householding

The Funds will mail only one copy of shareholder documents, including prospectuses, annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called "householding" and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be househeld in the following circumstances:



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## Want to know more ?

blackrock.com | 800!441!7762

This report is only for distribution to shareholders of the Funds of BlackRock Variable Series Funds, Inc. and BlackRock Variable Series Funds II, Inc. Past performance results shown in this report should not be considered a representation of future performance. Investment return and principal value of non-money market fund shares will fluctuate so that shares, when 77.481orm

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