



Annual Report | December 31, 2018

Vanguard Variable Insurance Fund

Balanced Portfolio

See the inside front cover for important information about access to your fund's annual and semiannual shareholder reports.

Important information about access to shareholder reports

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of your fund's annual and semiannual shareholder reports will no longer be sent to you by mail, unless you specifically request them. Instead, you will be notified by mail each time a report is posted on the website and will be provided with a link to access the report.

If you have already elected to receive shareholder reports electronically, you will not be affected by this change and do not need to take any action. You may elect to receive shareholder reports and other communications from the fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you invest directly with the fund, by calling Vanguard at one of the phone numbers on the back cover of this report or by logging on to vanguard.com.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact the intermediary to request that you continue to receive paper copies. If you invest directly with the fund, you can call Vanguard at one of the phone numbers on the back cover of this report or log on to vanguard.com. Your election to receive paper copies will apply to all the funds you hold through an intermediary or directly with Vanguard.

Contents

CEO's Perspective	1
Market Perspective	2
Balanced Portfolio	3

CEO's Perspective



Tim Buckley
Chairman and Chief Executive Officer

Dear Planholder,

Over the years, I've found that prudent investors exhibit a common trait: discipline. No matter how the markets move or what new investing fad hits the headlines, those who stay focused on their goals and tune out the noise are set up for long-term success.

The prime gateway to investing is saving, and you don't usually become a saver without a healthy dose of discipline. Savers make the decision to sock away part of their income, which means spending less and delaying gratification, no matter how difficult that may be.

Of course, disciplined investing extends beyond diligent saving. The financial markets, in the short term especially, are unpredictable; I have yet to meet the investor who can time them perfectly. It takes discipline to resist the urge to go all-in when markets are frothy or to retreat when things look bleak.

Staying put with your investments is one strategy for handling volatility. Another, rebalancing, requires even more discipline because it means steering your money away from strong performers and toward poorer performers.

Patience—a form of discipline—is also the friend of long-term investors. Higher returns are the potential reward for weathering the market's turbulence and uncertainty.

It's important to be prepared for that turbulence, whenever it appears. Don't panic. Don't chase returns or look for answers outside the asset classes you trust. And be sure to rebalance periodically, even when there's turmoil.

Whether you're a master of self-control, get a boost from technology, or work with a professional advisor, know that discipline is necessary to get the most out of your investment portfolio. And know that Vanguard is with you for the entire ride.

Thank you for your continued loyalty.

Sincerely,

A handwritten signature in black ink, appearing to read "Mortimer J. Buckley". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Mortimer J. Buckley
Chairman and Chief Executive Officer
January 17, 2019

Market Perspective

Stocks slide and volatility climbs

After a strong start, global stock markets fell, and volatility rose substantially at the end of the year. The spike in volatility resulted primarily from concerns over slowing global growth, rising U.S. interest rates, and heightened geopolitical uncertainty. These factors led to sharp declines across major equity markets for the 12-month period.

The CRSP US Total Market Index, the benchmark for Vanguard Total Stock Market Index Fund, returned -5.17% for the 12 months ended December 31, 2018. Seven of the fund's ten industry sectors declined, with only health care, utilities, and consumer services gaining ground. Financials and industrials were the sectors that detracted the most.

In the United States, technology stocks were hurt by concerns about slowing sales and high valuations. Manufacturers lost ground in part because of continued trade tensions between the United States and China. And stocks in the energy sector retreated amid declining oil prices.

Stocks outside the United States were also in negative territory. The U.K., for example, continued to be challenged by

the Brexit negotiations. And European stocks lagged because of concerns about Italy's debt and Europe's economic dependence on emerging markets, which were hurt throughout much of the year by a rising dollar and trade protectionism.

Mixed results for bonds

Despite a solid macroeconomic backdrop throughout the year, bond markets also experienced bouts of volatility, as bond investors shared some of the same concerns that affected equity investors.

In the final quarter of the year, fixed income investors shied away from risky assets, including U.S. high-yield and investment-grade corporate bonds, which underperformed as credit spreads with U.S. Treasuries widened significantly. The impending partial shutdown of the U.S. government also weighed on investor sentiment and contributed to the relative strength of safe-haven assets as the year drew to a close.

For the year, the return for the bond market was essentially flat. The Bloomberg Barclays U.S. Aggregate Bond Index returned 0.01%. Bonds with shorter durations tended to perform the best. Mortgage-backed

securities outperformed both U.S. Treasuries and corporate bonds for the year.

Treasury yields generally fell over the final quarter but finished the year higher. The yield of the 2-year Treasury note climbed 61 basis points to close the year at 2.49%. The yield of the 10-year Treasury increased 27 basis points to 2.68%.

The 12-month rise in yields was encouraged by the U.S. Federal Reserve. In December, the Fed lifted its target for short-term interest rates for the fourth time in 2018, to a range of 2.25%–2.5%. The central bank maintained that U.S. growth fundamentals and labor market conditions remain solid despite the recent market volatility, and lowered its long-term neutral target range to 2.75%–3%, signaling the likelihood for two more rate increases in 2019.

Bonds outside the United States, as measured by the Bloomberg Barclays Global Aggregate Index ex USD, returned -2.15% for the period. In general, higher-quality bonds with longer maturities tended to perform the best.

Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2018		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	-4.78%	9.09%	8.21%
Russell 2000 Index (Small-caps)	-11.01	7.36	4.41
Russell 3000 Index (Broad U.S. market)	-5.24	8.97	7.91
FTSE All-World ex US Index (International)	-14.13	4.58	1.05
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	0.01%	2.06%	2.52%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	1.28	2.30	3.82
FTSE Three-Month U.S. Treasury Bill Index	1.86	0.98	0.59
CPI			
Consumer Price Index	1.91%	2.03%	1.51%

Balanced Portfolio

Advisor's Report

The Balanced Portfolio of Vanguard Variable Insurance Fund returned -3.41% for the 12 months ended December 31, 2018. The portfolio underperformed the -3.09% return of its blended benchmark (a mix of 65% large-capitalization stocks and 35% high-quality corporate bonds). The stock portfolio underperformed its benchmark, the Standard & Poor's 500 Index, while the bond portfolio outperformed its benchmark, the Bloomberg Barclays U.S. Credit A or Better Bond Index.

Please note that the returns for Vanguard Variable Insurance Fund are different from those of Vanguard Variable Annuity (and other plans that invest in the fund), which take into account insurance-related expenses.

The investment environment

Stock markets in the United States and abroad posted negative results for the year. The S&P 500 Index returned -4.38%, the MSCI World Index returned -8.20%, and the MSCI EAFE Index returned -13.79%.

Bullish sentiment was exceptionally strong to start the year, as better-than-expected corporate profits helped drive U.S. equities higher. By the summer, talk of tariffs and trade wars had progressed to implementation, raising concerns in an otherwise strong economy. Nonetheless, positive sentiment persisted, fueled by robust earnings growth, fiscal stimulus, the announcement of a preliminary trade deal between the U.S. and Mexico, and expectations for stronger U.S. economic growth relative to other regions of the world.

This changed in the final months of 2018, when concerns surrounding slowing global growth, rich valuations, rising central bank benchmark interest rates, and capricious U.S.-China trade tensions were at the

forefront of investors' minds. Returns in October and December were sharply negative, with the latter representing the U.S. equity market's largest monthly decline this decade, culminating in the first year of negative U.S. equity returns since 2008.

In the United States, large-capitalization growth stocks held up better than large-cap value stocks, as measured by the Russell 1000 Growth Index (-1.51%) and the Russell 1000 Value Index (-8.27%). This served as a slight challenge to the portfolio, which historically has had a value tilt.

The broad fixed income markets experienced extended volatility, particularly in the second half of the year, and largely generated negative total returns during the year, driven by corporate spreads widening and higher yields in the U.S. and select emerging government bond markets. The Bloomberg Barclays U.S. Aggregate Float Adjusted Index returned -0.08%. The higher-quality credit market performed even worse, with the Bloomberg Barclays U.S. Credit A or Better Bond Index returning -1.45%. The yield of the 10-year U.S. Treasury note rose, beginning the fiscal year at 2.41% and ending at 2.68%, down from a high of 3.24% in November.

Our successes

In the stock portfolio, security selection aided relative performance. Selection was strongest in communication services (our lack of exposure to Facebook and our positions in Verizon and AT&T), health care (our positions in AstraZeneca, Merck, and Eli Lilly), and energy (our position in ConocoPhillips and not owning Schlumberger).

In the fixed income portfolio, our short duration/yield curve positioning contributed to outperformance as rates rose across the maturity spectrum over the year,

particularly among shorter-term securities. Credit spread duration—the sensitivity of our holdings to changes in their yields relative to the yields of Treasuries with equivalent maturities—also helped results. We positioned the portfolio with an underweight in corporates compared with our all-credit benchmark, as spreads widened. Within investment-grade corporates, our underweight allocation to and security selection in industrials helped performance. Our out-of-benchmark allocations to asset-backed securities—specifically, collateralized loan obligations, high-quality commercial mortgage-backed securities (MBS), and agency MBS—also aided performance.

Our shortfalls

In the stock portfolio, our sector allocation detracted from relative results. Our overweight allocation to financials and energy detracted most. Specifically, insurance stocks faltered because of exposure to natural disasters and concerns over potential charges associated with long-term-care insurance. Energy stocks have also faced challenges as oil prices have plunged.

Although security selection had a positive impact overall, selection was weakest in financials (Prudential, MUFG, and American International Group) and consumer discretionary (eBay and Nike) and our lack of exposure to Amazon or Nike).

Our avoidance of benchmark constituent Amazon was the largest relative detractor. The company has outperformed based on strong earnings results attributable to continued market share gains and improving profitability. Although we have started to see some weakness in the stock, we believe the current valuation reflects significant optimism about the trajectory and predictability of future growth. Amazon's stock trades at a high price/earnings ratio and pays no dividends.

Despite being an impressive company, it does not fit our investment approach. We also believe Amazon may face increasing regulation in the future.

Our position in Halliburton was another meaningful detractor from the equity portfolio's relative performance.

On the fixed income side, our bond selection within investment-grade corporates, specifically utilities and financial institutions, detracted, as did our positioning within noncorporate credit, specifically an underweight to and security selection in local agency bonds. A modest out-of-benchmark allocation to Treasury Inflation-Protected Securities also hurt performance.

Portfolio positioning

We continue to rely on our process and philosophy as we construct the portfolio and adjust our positioning. We remain focused on the significance of dividends, positive capital stewardship, and franchise value. We believe we have a solid portfolio of undervalued market leaders, companies in industries with improving supply and demand trends, and strong companies that are temporarily out of favor. We see our process as critical to providing downside protection and believe the current portfolio is well-balanced.

In the equity portfolio, we reduced our exposure in areas we thought were beginning to see valuation excesses. This resulted in a decreased allocation to information technology and a more defensive portfolio overall. At the end of the year, our largest sector overweights remained in financials, energy, and utilities. Within financials, we continue to favor large banks and insurers, which are gaining share from smaller competitors and whose

costs are well-controlled. We believe that the banks' strong capital positions are underappreciated by the market and that concerns over the potential for increasing credit losses are well-discounted in current valuations. We added to real estate, reducing our underweight, and added to defense companies.

We added new positions in Deere & Co., Home Depot, and TJX Companies and eliminated positions in Johnson & Johnson, Honeywell, Caterpillar, and Costco.

On the fixed income side, we are positioned with a cautious view of risk assets with reduced exposure to corporate bonds and, within corporate bonds, a bias toward higher quality and lower volatility. With much of the rise in short-term interest rates behind us and additional Federal Reserve rate hikes fairly priced into the market, we have chosen to limit our interest rate risk relative to the benchmark, reducing our short duration positioning to largely neutral.

Credit remains the main investment focus of the portfolio. U.S. investment-grade corporate bonds have underperformed because of increased volatility, weaker overseas demand, and continued headline risk. Although we are underweighted in corporate credit relative to the all-credit benchmark, we favor higher quality and less cyclical sectors and expect our significant positioning there to benefit from the 2017 tax law, deregulation, and fiscal stimulus. Despite the prolonged economic cycle and persistently strong corporate earnings, we are viewing the credit cycle as mature, with most of the narrowing of yield spreads (corporates relative to Treasuries) behind us.

Looking ahead, we are cautiously optimistic on U.S. economic growth but do expect it to progress at a slower pace than in 2018, and risks have increased. The volatility we experienced at the end of 2018 will be more common in 2019. As a result, we expect valuation and stability to garner greater attention.

Edward P. Bousa, CFA,
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Senior Managing Director and
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Loren L. Moran, CFA,
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Wellington Management Company LLP

January 11, 2019

About Your Portfolio's Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio's gross income, directly reduce the investment return of the portfolio.

A portfolio's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The table below illustrates your portfolio's costs in two ways:

- Based on actual portfolio return.** This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the portfolio's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, 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 given for your portfolio under the heading "Expenses Paid During Period."

- Based on hypothetical 5% yearly return.** This section is intended to help you compare your portfolio's costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio's actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio's expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio's expenses in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended December 31, 2018

Balanced Portfolio	Beginning Account Value 6/30/2018	Ending Account Value 12/31/2018	Expenses Paid During Period ¹
Based on Actual Portfolio Return	\$1,000.00	\$977.54	\$1.00
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.20	1.02

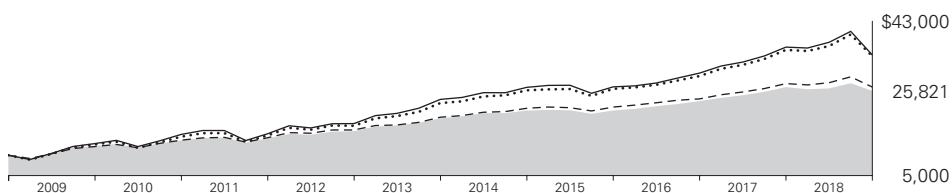
¹ The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.20%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

Performance Summary

All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the portfolio. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost. The returns shown do not reflect taxes that a shareholder would pay on portfolio distributions or on the sale of portfolio shares. Nor do the returns reflect fees and expenses associated with the annuity or life insurance program through which a shareholder invests. If these fees and expenses were included, the portfolio's returns would be lower.

Cumulative Performance: December 31, 2008–December 31, 2018

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended December 31, 2018			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
— Balanced Portfolio	-3.41 %	6.22%	9.95%	\$25,821
..... S&P 500 Index	-4.38	8.49	13.12	34,304
- - - - Composite Stock/Bond Index ¹	-3.09	6.70	10.34	26,744
— Dow Jones U.S. Total Stock Market Float Adjusted Index	-5.30	7.86	13.22	34,625

¹ Weighted 65% S&P 500 Index and 35% Bloomberg Barclays U.S. Credit A or Better Bond Index.
See Financial Highlights for dividend and capital gains information.

Sector Diversification

As of December 31, 2018

Equity Exposure

Communication Services	9.6%
Consumer Discretionary	4.4
Consumer Staples	6.9
Energy	8.5
Financials	21.9
Health Care	16.2
Industrials	9.8
Information Technology	11.4
Materials	3.7
Real Estate	2.6
Utilities	5.0

The table reflects the portfolio's equity exposure, based on its investments in stocks and stock index futures. Any holdings in short-term reserves are excluded. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

Fixed Income Exposure

Asset-Backed/Commercial Mortgage-Backed	4.4%
Finance	26.0
Foreign	5.8
Government Mortgage-Backed	1.9
Industrial	30.9
Treasury	18.3
Utilities	7.9
Other	4.8

The table reflects the portfolio's market exposure. Any holdings in short-term reserves are excluded. The agency and mortgage-backed securities sectors may include issues from government-sponsored enterprises; such issues are generally not backed by the full faith and credit of the U.S. government.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P"), and is licensed for use by Vanguard. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Financial Statements

Statement of Net Assets

As of December 31, 2018

The portfolio reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the portfolio's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the portfolio files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the portfolio's Forms N-Q on the SEC's website at sec.gov.

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (64.4%)								
Communication Services (6.2%)								
Verizon Communications Inc.	1,204,065	67,692	PNC Financial Services Group Inc.	227,563	26,604	Johnson Controls International plc	350,385	10,389
* Alphabet Inc. Class A	46,835	48,941	Intercontinental Exchange Inc.	291,090	21,928	Vinci SA	121,806	10,016
Comcast Corp. Class A	1,211,108	41,238	Northern Trust Corp.	199,977	16,716	General Dynamics Corp.	62,791	9,871
AT&T Inc.	325,879	9,301	BlackRock Inc.	40,613	15,954	Assa Abloy AB Class B	505,252	9,047
		167,172	American International Group Inc.	385,862	15,207	BAE Systems plc	1,536,148	8,985
Consumer Discretionary (2.8%)			Citigroup Inc.	277,445	14,444	Eaton Corp. plc	78,735	5,406
Lowe's Cos. Inc.	181,601	16,773	Mitsubishi UFJ Financial Group Inc.	2,711,930	13,309	Canadian National Railway Co. (New York Shares)	41,331	3,063
Home Depot Inc.	96,769	16,627	Marsh & McLennan Cos. Inc.	144,786	11,547	Canadian National Railway Co. (Toronto Shares)	17,100	1,266
TJX Cos. Inc.	328,528	14,698	^ Bank of Nova Scotia	228,476	11,394			171,632
Hilton Worldwide Holdings Inc.	201,655	14,479	Hartford Financial Services Group Inc.	245,843	10,928	Information Technology (7.4%)		
* eBay Inc.	239,814	6,731	MetLife Inc.	208,025	8,542	Microsoft Corp.	728,725	74,017
* Alibaba Group Holding Ltd. ADR	36,205	4,963	BNP Paribas SA	160,234	7,236	Intel Corp.	671,229	31,501
Volkswagen AG Preference Shares	19,114	3,048	UBS Group AG	490,878	6,077	Cisco Systems Inc.	590,561	25,589
		77,319	Progressive Corp.	94,960	5,729	Apple Inc.	111,267	17,551
Consumer Staples (4.4%)			ING Groep NV	485,626	5,224	HP Inc.	757,694	15,502
PepsiCo Inc.	224,621	24,816	Tokio Marine Holdings Inc.	109,770	5,215	Accenture plc Class A International Business Machines Corp.	80,309	9,129
Unilever NV	355,202	19,242	* Brighthouse Financial Inc.	25,106	765	Texas Instruments Inc.	56,693	5,357
Sysco Corp.	256,695	16,085			381,374	Samsung Electronics Co. Ltd. GDR	5,565	4,822
Diageo plc	382,208	13,658	Health Care (10.4%)			QUALCOMM Inc.	65,262	3,714
Walmart Inc.	145,881	13,589	Bristol-Myers Squibb Co.	685,817	35,649			199,248
Coca-Cola Co.	258,214	12,226	AstraZeneca plc ADR	923,902	35,090	Materials (2.4%)		
Nestle SA	145,503	11,809	Pfizer Inc.	754,133	32,918	DowDuPont Inc.	372,743	19,934
Philip Morris International Inc.	116,158	7,755	Medtronic plc	336,124	30,574	International Paper Co.	402,896	16,261
		119,180	Merck & Co. Inc.	384,113	29,350	PPG Industries Inc.	113,587	11,612
Energy (5.5%)			UnitedHealth Group Inc.	105,928	26,389	LyondellBasell Industries NV Class A	106,943	8,893
Chevron Corp.	435,770	47,407	Novartis AG	264,462	22,650	Linde plc	36,415	5,781
Exxon Mobil Corp.	391,138	26,672	Eli Lilly & Co.	178,909	20,703	Linde AG	6,863	1,524
ConocoPhillips	258,942	16,145	CVS Health Corp.	304,145	19,927			64,005
Suncor Energy Inc.	516,145	14,416	Abbott Laboratories	217,411	15,725	Real Estate (1.7%)		
Halliburton Co.	479,101	12,734	Koninklijke Philips NV	282,041	9,888	American Tower Corp.	154,069	24,372
BP plc	1,853,315	11,716	* Regeneron Pharmaceuticals Inc.	9,828	3,671	Simon Property Group Inc.	129,382	21,735
BP plc	1,853,315	11,716			282,534			46,107
Hess Corp.	188,150	7,620	Industrials (6.3%)			Utilities (3.2%)		
Canadian Natural Resources Ltd.	287,591	6,940	Union Pacific Corp.	160,081	22,128	NextEra Energy Inc.	189,170	32,882
TOTAL SA	77,367	4,081	Deere & Co.	138,293	20,629	Dominion Energy Inc.	360,304	25,747
		147,731	United Technologies Corp.	186,146	19,821	Exelon Corp.	440,612	19,872
Financials (14.1%)			United Parcel Service Inc. Class B	190,850	18,614	* Iberdrola SA	1,113,019	8,937
JPMorgan Chase & Co.	622,202	60,739	Lockheed Martin Corp.	62,013	16,238			87,438
Bank of America Corp.	2,170,299	53,476	Schneider Electric SE	238,220	16,159	Total Common Stocks (Cost \$1,473,122)		
Chubb Ltd.	302,468	39,073						1,743,740
Prudential Financial Inc.	383,409	31,267						

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
U.S. Government and Agency Obligations (7.1%)				
U.S. Government Securities (6.2%)				
United States Treasury Inflation Indexed Bonds				
	0.750%	7/15/28	4,690	4,626
	1.375%	2/29/20	2,130	2,100
	2.250%	2/29/20	25,600	25,496
	2.250%	3/31/20	6,000	5,976
	1.625%	6/30/20	2,840	2,802
	1.500%	8/15/20	4,250	4,180
	2.875%	10/31/20	6,350	6,390
	1.250%	3/31/21	3,000	2,920
	1.375%	5/31/21	3,500	3,410
	2.875%	11/15/21	12,000	12,133
	2.125%	12/31/22	7,700	7,592
1	2.500%	3/31/23	26,115	26,115
	2.625%	6/30/23	7,300	7,339
	2.750%	7/31/23	3,300	3,335
	2.875%	10/31/23	4,000	4,068
	2.000%	2/15/25	950	919
	2.000%	8/15/25	1,645	1,586
	2.250%	11/15/27	2,565	2,478
	2.750%	2/15/28	8,445	8,491
	2.875%	5/15/28	330	335
	3.125%	11/15/28	4,925	5,111
	2.875%	5/15/43	6,738	6,587
	3.375%	5/15/44	4,410	4,702
	3.125%	8/15/44	1,740	1,778
	2.500%	2/15/45	2,610	2,368
	2.875%	8/15/45	1,910	1,865
	2.500%	5/15/46	595	538
	2.250%	8/15/46	3,068	2,628
	2.875%	11/15/46	930	907
	3.000%	2/15/47	500	500
	3.000%	5/15/47	340	340
	2.750%	8/15/47	4,130	3,924
	0.000%	5/15/47	4,910	2,069
	0.000%	8/15/47	6,835	2,856
				168,464
Conventional Mortgage-Backed Securities (0.7%)				
2.3	3.500%	12/1/47–10/1/48	17,558	17,558
2.3	4.000%	9/1/41	5	5
2	7.000%	11/15/31–11/15/33	82	92
2	8.000%	9/15/30	49	50
				17,705
Nonconventional Mortgage-Backed Securities (0.2%)				
2.3	3.500%	4/25/31–10/25/56	1,865	1,897
2.3	4.000%	9/25/29–5/25/31	468	483
2.3	3.500%	3/15/31	145	148
2.3	4.000%	12/15/30–4/15/31	2,534	2,646
				5,174
Total U.S. Government and Agency Obligations (Cost \$190,942)				
				191,343
Asset-Backed/Commercial Mortgage-Backed Securities (1.3%)				
2.4				
	2.950%	3/15/23	1,720	1,720
4	3.070%	3/15/23	1,100	1,081
2				
	2.240%	4/8/22	360	355
2.4,5	3.639%	4/17/26	766	765
2.4,5	3.526%	1/15/31	250	246
2.4,5	3.590%	4/25/26	826	823
4	2.500%	1/11/22	1,700	1,675
2	3.260%	7/20/21	295	297

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
2.4				
	2.547%	10/21/19	426	426
2.4				
	3.000%	6/21/21	271	272
2.4				
	3.270%	12/19/22	140	142
2.4,6	2.825%	4/18/22	495	495
2	3.110%	2/15/22	1,005	1,006
2	3.360%	9/15/23	585	592
2.4,5	3.640%	10/25/28	550	549
2.4	3.040%	4/15/30	1,203	1,202
2.4	1.990%	5/15/29	185	183
2.4	3.390%	1/15/31	905	905
2	2.450%	6/14/19	282	282
2	3.147%	8/15/45	480	480
4	2.500%	3/28/22	1,315	1,296
2.4				
	2.130%	7/20/22	112	111
2.4				
	2.150%	3/20/19	60	60
2.4				
	2.870%	10/20/23	840	836
2.4				
	3.100%	10/20/23	270	268
2.4				
	3.380%	5/20/24	540	542
2.4				
	2.900%	1/18/22	271	270
2.4				
	1.510%	3/16/20	20	20
2.4				
	1.980%	4/15/22	545	537
2.4				
	2.620%	1/15/23	485	482
2.4				
	2.550%	8/17/20	481	480
2.4,5	3.729%	7/20/26	785	784
2.4,5	3.400%	4/19/30	930	921
2.4,6				
	2.969%	7/21/24	1,000	1,001
2.4,6				
	3.155%	5/17/21	370	371
2.4				
	1.730%	5/18/20	32	32
2	3.250%	9/15/21	460	462
2.4				
	3.430%	12/16/24	1,000	1,001
2.4				
	2.310%	12/14/21	755	750
2.4				
	4.100%	3/20/28	198	199
2.4				
	2.370%	9/14/32	273	269
2.4				
	2.528%	10/15/19	74	74
2	2.970%	7/15/21	970	969
2				
	3.190%	3/15/22	220	221
2.4				
	2.400%	4/25/19	8	8
2.4				
	3.060%	2/25/21	505	505
2.4				
	3.325%	8/25/22	550	553
2.4,5	3.569%	7/17/26	598	596
2.4,7				
	4.144%	1/5/43	700	658
2.4				
	2.930%	4/26/27	443	442
2.4				
	3.540%	11/26/27	832	833
2.4				
	3.160%	11/15/24	345	345
2.4				
	3.480%	5/15/28	590	588

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
^{2,4,5} Symphony CLO XIV Ltd.	3.716%	7/14/26	1,093	1,093
^{2,4,5} Thacher Park CLO Ltd.	3.629%	10/20/26	505	504
⁴ Toronto-Dominion Bank	2.500%	1/18/22	2,100	2,072
² Utility Debt Securitization Authority Series 2013T	3.435%	12/15/25	210	210
^{2,4} Vantage Data Centers Issuer LLC 2018-1A	4.072%	2/16/43	486	493
² Verizon Owner Trust 2018-A	3.230%	4/20/23	585	588
^{2,4,5} Voya CLO 2014-1 Ltd.	3.435%	4/18/31	515	506
Total Asset-Backed/Commercial Mortgage-Backed Securities (Cost \$35,594)				35,446

Corporate Bonds (22.0%)**Finance (8.8%)****Banking (7.2%)**

⁴ ABN AMRO Bank NV	2.450%	6/4/20	623	614
American Express Credit Corp.	2.250%	8/15/19	800	798
American Express Credit Corp.	2.700%	3/3/22	1,505	1,468
Banco Santander SA	3.125%	2/23/23	800	758
Banco Santander SA	3.848%	4/12/23	400	389
Bank of America Corp.	3.300%	1/11/23	120	118
² Bank of America Corp.	2.816%	7/21/23	1,645	1,592
Bank of America Corp.	3.004%	12/20/23	3,408	3,311
Bank of America Corp.	4.000%	1/22/25	875	856
² Bank of America Corp.	3.593%	7/21/28	1,025	970
Bank of America Corp.	3.419%	12/20/28	512	479
² Bank of America Corp.	4.271%	7/23/29	2,080	2,076
Bank of America Corp.	5.875%	2/7/42	260	301
Bank of America Corp.	5.000%	1/21/44	1,000	1,043
⁸ Bank of Montreal	0.000%	1/3/19	1,278	936
Bank of Montreal	3.100%	4/13/21	1,290	1,289
Bank of New York Mellon Corp.	2.150%	2/24/20	1,580	1,566
Bank of New York Mellon Corp.	2.200%	8/16/23	460	436
⁵ Bank of New York Mellon Corp.	3.570%	10/30/23	1,145	1,151
Bank of New York Mellon Corp.	3.000%	2/24/25	720	695
Bank of Nova Scotia	2.800%	7/21/21	750	742
⁴ Banque Federative du Credit Mutuel SA	2.750%	10/15/20	1,200	1,188
Barclays Bank plc	5.140%	10/14/20	160	162
⁵ Barclays Bank plc	4.009%	5/16/24	1,005	954
BB&T Corp.	3.200%	9/3/21	665	667
BB&T Corp.	2.750%	4/1/22	1,700	1,667
BB&T Corp.	3.700%	6/5/25	1,385	1,389
⁴ BNP Paribas SA	2.950%	5/23/22	200	192
BNP Paribas SA	3.250%	3/3/23	190	186
⁴ BNP Paribas SA	3.800%	1/10/24	1,170	1,139
⁴ BNP Paribas SA	3.375%	1/9/25	1,775	1,666
⁴ BNP Paribas SA	3.500%	11/16/27	2,250	2,055
⁴ BNP Paribas SA	4.400%	8/14/28	1,645	1,600
BPCE SA	2.500%	7/15/19	1,400	1,396
⁴ BPCE SA	5.700%	10/22/23	270	280
BPCE SA	4.000%	4/15/24	775	782
⁴ BPCE SA	5.150%	7/21/24	1,260	1,265
⁴ BPCE SA	3.500%	10/23/27	1,780	1,627
Branch Banking & Trust Co.	2.625%	1/15/22	1,250	1,226
⁵ Canadian Imperial Bank of Commerce	3.508%	6/16/22	1,565	1,551
Capital One Financial Corp.	2.500%	5/12/20	500	493
Capital One Financial Corp.	4.750%	7/15/21	400	410
Capital One Financial Corp.	3.750%	4/24/24	1,305	1,273
Capital One Financial Corp.	3.200%	2/5/25	760	710
Citibank NA	3.050%	5/1/20	1,850	1,847
Citigroup Inc.	2.550%	4/8/19	1,800	1,798
Citigroup Inc.	2.500%	7/29/19	965	962
Citigroup Inc.	2.400%	2/18/20	800	793
Citigroup Inc.	4.500%	1/14/22	1,975	2,022
² Citigroup Inc.	3.520%	10/27/28	1,975	1,842
Citigroup Inc.	6.625%	6/15/32	2,000	2,318
² Citigroup Inc.	3.878%	1/24/39	1,025	912
Citigroup Inc.	8.125%	7/15/39	101	140
Citigroup Inc.	4.750%	5/18/46	420	392
Commonwealth Bank of Australia	2.300%	3/12/20	655	649

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Compass Bank	2.750%	9/29/19	375	373
Cooperatieve Rabobank UA	2.250%	1/14/19	1,350	1,350
⁴ Credit Agricole SA	2.500%	4/15/19	1,460	1,461
⁴ Credit Agricole SA	3.750%	4/24/23	1,160	1,133
⁴ Credit Agricole SA	3.250%	10/4/24	840	787
Credit Suisse Group AG	2.300%	5/28/19	2,845	2,837
Credit Suisse Group AG	3.000%	10/29/21	735	724
⁴ Credit Suisse Group AG	3.574%	1/9/23	550	536
^{4,5} Credit Suisse Group AG	4.016%	6/12/24	690	681
^{2,4} Credit Suisse Group AG	4.207%	6/12/24	340	338
Credit Suisse Group AG	3.625%	9/9/24	250	245
^{2,4} Credit Suisse Group AG	3.869%	1/12/29	305	283
Credit Suisse Group Funding Guernsey Ltd.	3.800%	9/15/22	1,335	1,328
Credit Suisse Group Funding Guernsey Ltd.	3.750%	3/26/25	1,595	1,525
⁴ Danske Bank A/S	2.000%	9/8/21	1,120	1,056
⁴ Danske Bank A/S	3.875%	9/12/23	1,220	1,172
Deutsche Bank AG	2.500%	2/13/19	270	270
Deutsche Bank AG	2.700%	7/13/20	660	640
Deutsche Bank AG	3.150%	1/22/21	1,425	1,373
Deutsche Bank AG	4.250%	10/14/21	1,215	1,197
Fifth Third Bank	2.875%	10/1/21	425	420
Fifth Third Bank	3.850%	3/15/26	830	816
Goldman Sachs Group Inc.	5.375%	3/15/20	405	414
Goldman Sachs Group Inc.	2.600%	4/23/20	170	168
Goldman Sachs Group Inc.	5.250%	7/27/21	865	897
Goldman Sachs Group Inc.	5.750%	1/24/22	360	377
² Goldman Sachs Group Inc.	2.876%	10/31/22	1,795	1,751
Goldman Sachs Group Inc.	3.625%	1/22/23	1,980	1,949
² Goldman Sachs Group Inc.	3.272%	9/29/25	1,205	1,128
Goldman Sachs Group Inc.	3.500%	11/16/26	2,000	1,855
Goldman Sachs Group Inc.	3.850%	1/26/27	740	698
² Goldman Sachs Group Inc.	3.691%	6/5/28	810	755
² Goldman Sachs Group Inc.	3.814%	4/23/29	3,065	2,856
² Goldman Sachs Group Inc.	4.223%	5/1/29	2,630	2,533
Goldman Sachs Group Inc.	6.750%	10/1/37	835	949
Goldman Sachs Group Inc.	4.750%	10/21/45	680	649
⁴ HSBC Bank plc	4.750%	1/19/21	1,700	1,744
HSBC Holdings plc	3.400%	3/8/21	1,535	1,531
HSBC Holdings plc	4.000%	3/30/22	2,395	2,418
HSBC Holdings plc	3.600%	5/25/23	1,600	1,583
⁵ HSBC Holdings plc	3.640%	5/18/24	730	707
² HSBC Holdings plc	4.041%	3/13/28	890	851
² HSBC Holdings plc	4.583%	6/19/29	1,675	1,659
HSBC Holdings plc	6.500%	5/2/36	1,000	1,136
HSBC Holdings plc	6.100%	1/14/42	375	438
HSBC Holdings plc	5.250%	3/14/44	440	440
HSBC USA Inc.	2.350%	3/5/20	2,775	2,746
HSBC USA Inc.	3.500%	6/23/24	620	608
Huntington Bancshares Inc.	3.150%	3/14/21	800	797
Huntington National Bank	2.200%	4/1/19	560	559
Huntington National Bank	2.400%	4/1/20	1,160	1,147
ING Groep NV	3.150%	3/29/22	365	358
ING Groep NV	3.950%	3/29/27	820	781
JPMorgan Chase & Co.	6.300%	4/23/19	465	470
JPMorgan Chase & Co.	4.350%	8/15/21	1,862	1,904
JPMorgan Chase & Co.	4.500%	1/24/22	495	510
JPMorgan Chase & Co.	3.250%	9/23/22	970	960
JPMorgan Chase & Co.	3.375%	5/1/23	875	858
JPMorgan Chase & Co.	3.875%	2/1/24	800	804
JPMorgan Chase & Co.	3.900%	7/15/25	2,270	2,250
JPMorgan Chase & Co.	4.125%	12/15/26	765	750
JPMorgan Chase & Co.	4.250%	10/1/27	2,295	2,256
² JPMorgan Chase & Co.	4.452%	12/5/29	2,100	2,135
JPMorgan Chase & Co.	5.400%	1/6/42	750	826
² JPMorgan Chase & Co.	3.964%	11/15/48	5,550	4,985
⁴ Macquarie Bank Ltd.	2.400%	1/21/20	330	327
^{2,4} Macquarie Group Ltd.	4.150%	3/27/24	1,375	1,366
Manufacturers & Traders Trust Co.	2.100%	2/6/20	495	490
Manufacturers & Traders Trust Co.	2.900%	2/6/25	685	659

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Morgan Stanley	2.500%	1/24/19	2,500	2,499					
Morgan Stanley	5.625%	9/23/19	645	655					
Morgan Stanley	5.750%	1/25/21	1,740	1,816					
Morgan Stanley	2.500%	4/21/21	1,175	1,151					
Morgan Stanley	2.625%	11/17/21	800	779					
Morgan Stanley	2.750%	5/19/22	1,710	1,659					
Morgan Stanley	3.700%	10/23/24	750	738					
Morgan Stanley	3.125%	7/27/26	1,345	1,238					
Morgan Stanley	6.250%	8/9/26	3,000	3,313					
Morgan Stanley	3.625%	1/20/27	1,250	1,189					
2 Morgan Stanley	3.772%	1/24/29	1,560	1,494					
Morgan Stanley	4.300%	1/27/45	850	801					
National City Corp.	6.875%	5/15/19	1,000	1,014					
4 NBK SPC Ltd.	2.750%	5/30/22	1,530	1,478					
PNC Bank NA	3.300%	10/30/24	460	455					
PNC Bank NA	2.950%	2/23/25	1,105	1,060					
PNC Bank NA	4.200%	11/1/25	255	260					
PNC Bank NA	3.100%	10/25/27	1,165	1,110					
PNC Bank NA	3.250%	1/22/28	1,675	1,620					
PNC Financial Services Group Inc.	3.900%	4/29/24	580	577					
8 Royal Bank of Canada	0.000%	1/3/19	1,400	1,025					
Royal Bank of Canada	2.750%	2/1/22	1,195	1,178					
Santander Holdings USA Inc.	2.650%	4/17/20	580	572					
Santander Holdings USA Inc.	3.700%	3/28/22	915	897					
Santander Holdings USA Inc.	3.400%	1/18/23	605	581					
4 Skandinaviska Enskilda Banken AB	2.450%	5/27/20	1,600	1,582					
4 Societe Generale SA	3.250%	1/12/22	1,515	1,482					
2 State Street Corp.	2.653%	5/15/23	840	818					
SunTrust Bank	3.300%	5/15/26	340	322					
Svenska Handelsbanken AB	1.875%	9/7/21	1,050	1,014					
Synchrony Bank	3.650%	5/24/21	1,290	1,262					
Toronto-Dominion Bank	2.500%	12/14/20	985	975					
4 UBS AG	2.200%	6/8/20	750	739					
4 UBS AG	4.500%	6/26/48	680	706					
4 UBS Group Funding Jersey Ltd.	2.950%	9/24/20	1,160	1,147					
4 UBS Group Funding Jersey Ltd.	2.650%	2/1/22	1,250	1,210					
US Bancorp	2.625%	1/24/22	1,305	1,284					
US Bancorp	3.700%	1/30/24	1,560	1,576					
Wachovia Corp.	7.500%	4/15/35	1,000	1,256					
Wells Fargo & Co.	2.150%	1/15/19	2,915	2,914					
Wells Fargo & Co.	3.000%	1/22/21	505	502					
Wells Fargo & Co.	3.500%	3/8/22	640	637					
Wells Fargo & Co.	3.069%	1/24/23	195	190					
Wells Fargo & Co.	3.450%	2/13/23	735	721					
Wells Fargo & Co.	4.480%	1/16/24	1,199	1,212					
Wells Fargo & Co.	3.000%	2/19/25	890	840					
Wells Fargo & Co.	3.550%	9/29/25	860	834					
Wells Fargo & Co.	3.000%	4/22/26	1,045	972					
Wells Fargo & Co.	4.100%	6/3/26	340	332					
Wells Fargo & Co.	3.000%	10/23/26	170	157					
Wells Fargo & Co.	5.606%	1/15/44	2,276	2,476					
Wells Fargo & Co.	4.900%	11/17/45	515	506					
Wells Fargo & Co.	4.750%	12/7/46	620	598					
Westpac Banking Corp.	2.300%	5/26/20	630	623					
Brokerage (0.0%)									
Ameriprise Financial Inc.	5.300%	3/15/20	305	313					
Charles Schwab Corp.	3.200%	3/2/27	545	525					
Finance Companies (0.2%)									
GE Capital International Funding Co. Unlimited Co.	4.418%	11/15/35	6,095	5,130					
Insurance (1.1%)									
Aetna Inc.	2.800%	6/15/23	680	646					
Anthem Inc.	3.300%	1/15/23	1,100	1,083					
Anthem Inc.	3.650%	12/1/27	750	717					
Anthem Inc.	4.101%	3/1/28	1,140	1,118					
Anthem Inc.	4.650%	8/15/44	426	411					
Anthem Inc.	4.375%	12/1/47	270	252					
Berkshire Hathaway Inc.	2.750%	3/15/23	1,050	1,028					
Berkshire Hathaway Inc.	3.125%	3/15/26	715	692					
Chubb INA Holdings Inc.	2.300%	11/3/20	170	167					
Chubb INA Holdings Inc.	3.350%	5/15/24	555	550					
Chubb INA Holdings Inc.	4.350%	11/3/45	800	822					
Cigna Corp.	3.250%	4/15/25	880	837					
4 Five Corners Funding Trust	4.419%	11/15/23	210	215					
4 Halfmoon Parent Inc.	4.375%	10/15/28	515	517					
4 Halfmoon Parent Inc.	4.800%	8/15/38	730	717					
4 Halfmoon Parent Inc.	4.900%	12/15/48	735	723					
4 Liberty Mutual Group Inc.	4.250%	6/15/23	360	362					
Loews Corp.	2.625%	5/15/23	440	428					
2.4 Massachusetts Mutual Life Insurance Co.	7.625%	11/15/23	2,000	2,279					
MetLife Inc.	3.600%	4/10/24	580	581					
MetLife Inc.	4.125%	8/13/42	145	136					
MetLife Inc.	4.875%	11/13/43	530	546					
4 Metropolitan Life Global Funding I	3.450%	10/9/21	810	814					
4 Metropolitan Life Global Funding I	2.650%	4/8/22	340	326					
4 Metropolitan Life Global Funding I	3.450%	12/18/26	640	627					
4 Metropolitan Life Global Funding I	3.000%	9/19/27	1,165	1,094					
4 New York Life Global Funding	2.900%	1/17/24	810	784					
4 New York Life Insurance Co.	5.875%	5/15/33	2,100	2,496					
4 Northwestern Mutual Life Insurance Co.	3.850%	9/30/47	656	599					
4 Teachers Insurance & Annuity Association of America	4.900%	9/15/44	875	906					
4 Teachers Insurance & Annuity Association of America	4.270%	5/15/47	1,145	1,086					
UnitedHealth Group Inc.	3.875%	10/15/20	601	609					
UnitedHealth Group Inc.	2.875%	3/15/22	27	27					
UnitedHealth Group Inc.	2.875%	3/15/23	1,175	1,157					
UnitedHealth Group Inc.	3.100%	3/15/26	430	417					
UnitedHealth Group Inc.	3.850%	6/15/28	1,190	1,204					
UnitedHealth Group Inc.	4.625%	7/15/35	600	637					
UnitedHealth Group Inc.	4.250%	3/15/43	1,600	1,594					
UnitedHealth Group Inc.	4.750%	7/15/45	760	807					
UnitedHealth Group Inc.	4.200%	1/15/47	215	213					
UnitedHealth Group Inc.	4.250%	6/15/48	1,330	1,334					
Other Finance (0.1%)									
4 GTP Acquisition Partners I LLC	2.350%	6/15/20	580	571					
4 LeasePlan Corp. NV	2.875%	1/22/19	970	970					
Real Estate Investment Trusts (0.2%)									
AvalonBay Communities Inc.	3.625%	10/1/20	520	522					
Boston Properties LP	3.125%	9/1/23	355	343					
Boston Properties LP	3.800%	2/1/24	45	45					
Realty Income Corp.	4.650%	8/1/23	640	666					
Simon Property Group LP	3.750%	2/1/24	90	91					
Simon Property Group LP	3.375%	10/1/24	275	270					
4 WEA Finance LLC	4.125%	9/20/28	590	590					
4 WEA Finance LLC	4.625%	9/20/48	755	748					
4 WEA Finance LLC / Westfield UK & Europe Finance plc	2.700%	9/17/19	1,330	1,326					
									239,432
Industrial (10.5%)									
Basic Industry (0.0%)									
International Paper Co.	4.350%	8/15/48	1,255	1,048					
Capital Goods (0.8%)									
4 BAE Systems Holdings Inc.	2.850%	12/15/20	160	158					
4 BAE Systems Holdings Inc.	3.850%	12/15/25	1,085	1,071					
Boeing Co.	5.875%	2/15/40	175	219					
Caterpillar Financial Services Corp.	2.625%	3/1/23	1,360	1,321					
Caterpillar Inc.	3.900%	5/27/21	1,170	1,191					
Caterpillar Inc.	2.600%	6/26/22	705	690					
Caterpillar Inc.	3.400%	5/15/24	810	812					
General Dynamics Corp.	2.875%	5/11/20	1,505	1,506					
General Dynamics Corp.	3.875%	7/15/21	355	361					
General Electric Co.	2.700%	10/9/22	210	195					
General Electric Co.	3.100%	1/9/23	360	336					

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
General Electric Co.	4.125%	10/9/42	240	187	2.4	Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC	4.738%	3/20/25	1,300	1,276
Honeywell International Inc.	4.250%	3/1/21	1,002	1,027	Time Warner Cable LLC	8.750%	2/14/19	25	25	
Illinois Tool Works Inc.	3.500%	3/1/24	1,295	1,312	Time Warner Cable LLC	8.250%	4/1/19	364	368	
John Deere Capital Corp.	2.250%	4/17/19	1,465	1,464	Time Warner Entertainment Co. LP	8.375%	3/15/23	95	108	
John Deere Capital Corp.	1.700%	1/15/20	520	513	Verizon Communications Inc.	3.500%	11/1/21	1,040	1,049	
John Deere Capital Corp.	3.450%	3/13/25	1,200	1,191	Verizon Communications Inc.	4.812%	3/15/39	2,406	2,370	
Lockheed Martin Corp.	2.900%	3/1/25	610	584	Verizon Communications Inc.	4.750%	11/1/41	290	282	
Lockheed Martin Corp.	4.500%	5/15/36	211	216	Verizon Communications Inc.	4.862%	8/21/46	1,151	1,134	
Lockheed Martin Corp.	4.700%	5/15/46	376	389	Verizon Communications Inc.	5.012%	4/15/49	1,133	1,131	
Lockheed Martin Corp.	4.090%	9/15/52	144	135	Verizon Communications Inc.	4.672%	3/15/55	525	483	
Parker-Hannifin Corp.	4.450%	11/21/44	450	455	Vodafone Group plc	3.750%	1/16/24	645	636	
4 Siemens Financieringsmaatschappij NV	2.900%	5/27/22	1,050	1,029	Vodafone Group plc	4.125%	5/30/25	570	562	
4 Siemens Financieringsmaatschappij NV	3.125%	3/16/24	1,680	1,640	Vodafone Group plc	5.000%	5/30/38	50	47	
4 Siemens Financieringsmaatschappij NV	4.400%	5/27/45	800	812	Vodafone Group plc	5.250%	5/30/48	785	739	
Stanley Black & Decker Inc.	4.850%	11/15/48	685	701	Walt Disney Co.	4.125%	6/1/44	560	557	
United Technologies Corp.	3.100%	6/1/22	535	521	Warner Media LLC	4.750%	3/29/21	350	359	
United Technologies Corp.	4.125%	11/16/28	261	259	Warner Media LLC	3.600%	7/15/25	625	592	
United Technologies Corp.	6.050%	6/1/36	675	757						
United Technologies Corp.	4.450%	11/16/38	275	269						
United Technologies Corp.	4.500%	6/1/42	787	747						
United Technologies Corp.	3.750%	11/1/46	163	140						
Communication (1.6%)					Consumer Cyclical (1.1%)					
21st Century Fox America Inc.	3.000%	9/15/22	245	242	Alibaba Group Holding Ltd.	3.600%	11/28/24	1,065	1,042	
America Movil SAB de CV	3.125%	7/16/22	1,880	1,842	Alibaba Group Holding Ltd.	3.400%	12/6/27	2,020	1,859	
America Movil SAB de CV	6.125%	3/30/40	390	463	Amazon.com Inc.	2.500%	11/29/22	885	865	
American Tower Corp.	3.450%	9/15/21	1,125	1,116	Amazon.com Inc.	2.800%	8/22/24	715	695	
American Tower Corp.	5.000%	2/15/24	220	227	Amazon.com Inc.	4.800%	12/5/34	995	1,072	
American Tower Corp.	4.400%	2/15/26	450	449	Amazon.com Inc.	4.950%	12/5/44	580	645	
AT&T Inc.	5.200%	3/15/20	255	260	Amazon.com Inc.	4.250%	8/22/57	1,385	1,351	
AT&T Inc.	2.450%	6/30/20	225	222	AutoZone Inc.	3.700%	4/15/22	1,371	1,368	
AT&T Inc.	4.600%	2/15/21	100	102	4 BMW US Capital LLC	2.000%	4/11/21	585	568	
CBS Corp.	4.300%	2/15/21	675	684	4 BMW US Capital LLC	2.250%	9/15/23	2,500	2,341	
Comcast Corp.	3.600%	3/1/24	2,900	2,903	4 BMW US Capital LLC	2.800%	4/11/26	151	139	
Comcast Corp.	3.375%	2/15/25	70	68	4 Daimler Finance North America LLC	2.250%	7/31/19	1,575	1,565	
Comcast Corp.	2.350%	1/15/27	540	481	4 Daimler Finance North America LLC	2.200%	5/5/20	470	462	
Comcast Corp.	4.250%	1/15/33	1,032	1,025	4 Daimler Finance North America LLC	2.450%	5/18/20	155	153	
Comcast Corp.	4.200%	8/15/34	730	706	4 Daimler Finance North America LLC	2.300%	2/12/21	945	922	
Comcast Corp.	5.650%	6/15/35	110	122	4 Daimler Finance North America LLC	3.250%	8/1/24	160	153	
Comcast Corp.	4.400%	8/15/35	877	855	Ford Motor Credit Co. LLC	2.375%	3/12/19	900	898	
Comcast Corp.	6.500%	11/15/35	115	136	Ford Motor Credit Co. LLC	3.157%	8/4/20	710	695	
Comcast Corp.	6.400%	5/15/38	27	32	General Motors Financial Co. Inc.	3.550%	4/9/21	455	448	
Comcast Corp.	4.600%	10/15/38	1,335	1,350	General Motors Financial Co. Inc.	3.950%	4/13/24	1,570	1,472	
Comcast Corp.	4.650%	7/15/42	1,290	1,274	Home Depot Inc.	2.700%	4/1/23	720	709	
Comcast Corp.	4.500%	1/15/43	500	481	Home Depot Inc.	3.900%	12/6/28	290	296	
Comcast Corp.	4.750%	3/1/44	876	875	Home Depot Inc.	4.400%	3/15/45	780	785	
Comcast Corp.	4.600%	8/15/45	1,198	1,160	Home Depot Inc.	4.500%	12/6/48	345	357	
Comcast Corp.	3.969%	11/1/47	252	227	4 Hyundai Capital America	2.550%	4/3/20	790	780	
Comcast Corp.	4.000%	3/1/48	345	316	4.5 Hyundai Capital America	3.348%	7/8/21	1,400	1,403	
Comcast Corp.	4.700%	10/15/48	1,320	1,339	Lowe's Cos. Inc.	3.100%	5/3/27	1,300	1,189	
Comcast Corp.	3.999%	11/1/49	602	542	Lowe's Cos. Inc.	6.500%	3/15/29	334	387	
Comcast Corp.	4.049%	11/1/52	187	168	McDonald's Corp.	2.625%	1/15/22	195	191	
Comcast Corp.	4.950%	10/15/58	1,020	1,043	McDonald's Corp.	3.250%	6/10/24	140	138	
4 Cox Communications Inc.	2.950%	6/30/23	145	139	McDonald's Corp.	4.875%	12/9/45	260	264	
4 Cox Communications Inc.	3.150%	8/15/24	181	174	Starbucks Corp.	4.500%	11/15/48	1,000	935	
4 Cox Communications Inc.	4.800%	2/1/35	1,540	1,411	4 Volkswagen Group of America Finance LLC	2.450%	11/20/19	440	436	
4 Cox Communications Inc.	6.450%	12/1/36	45	47	Walmart Inc.	2.550%	4/11/23	1,250	1,216	
4 Cox Communications Inc.	4.600%	8/15/47	125	113	Walmart Inc.	3.550%	6/26/25	1,605	1,618	
Crown Castle International Corp.	3.650%	9/1/27	285	266	Walmart Inc.	3.625%	12/15/47	380	354	
Crown Castle International Corp.	3.800%	2/15/28	235	222						
Discovery Communications LLC	5.625%	8/15/19	49	50	Consumer Noncyclical (3.7%)					
4 NBCUniversal Enterprise Inc.	1.974%	4/15/19	2,530	2,523	Allergan Funding SCS	3.450%	3/15/22	450	444	
NBCUniversal Media LLC	4.375%	4/1/21	600	614	Allergan Funding SCS	3.800%	3/15/25	575	562	
NBCUniversal Media LLC	2.875%	1/15/23	240	235	Allergan Funding SCS	4.850%	6/15/44	450	427	
NBCUniversal Media LLC	4.450%	1/15/43	309	298	Altria Group Inc.	4.750%	5/5/21	590	602	
Orange SA	4.125%	9/14/21	1,740	1,775	Altria Group Inc.	2.850%	8/9/22	455	437	
Orange SA	9.000%	3/1/31	530	734	Altria Group Inc.	4.500%	5/2/43	245	204	
4 SK Telecom Co. Ltd.	3.750%	4/16/23	385	385	Altria Group Inc.	3.875%	9/16/46	625	479	
4 Sky plc	2.625%	9/16/19	975	968	AmerisourceBergen Corp.	3.500%	11/15/21	1,310	1,311	
4 Sky plc	3.750%	9/16/24	1,435	1,421	Amgen Inc.	3.875%	11/15/21	310	314	
					Amgen Inc.	5.150%	11/15/41	945	976	
					Amgen Inc.	4.663%	6/15/51	325	307	

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
4	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	3.650%	2/1/26	1,805	1,706	McKesson Corp.	2.700%	12/15/22	195	186
4	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.700%	2/1/36	3,990	3,710	McKesson Corp.	2.850%	3/15/23	190	182
4	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.900%	2/1/46	2,640	2,453	McKesson Corp.	3.796%	3/15/24	305	300
	Anheuser-Busch InBev Finance Inc.	3.300%	2/1/23	2,000	1,945	Medtronic Inc.	2.500%	3/15/20	935	930
	Anheuser-Busch InBev Worldwide Inc.	3.750%	1/15/22	400	400	Medtronic Inc.	3.150%	3/15/22	1,690	1,681
	Anheuser-Busch InBev Worldwide Inc.	2.500%	7/15/22	3,780	3,623	Medtronic Inc.	3.625%	3/15/24	270	273
	Anheuser-Busch InBev Worldwide Inc.	4.375%	4/15/38	635	567	Medtronic Inc.	3.500%	3/15/25	2,196	2,187
	Anheuser-Busch InBev Worldwide Inc.	3.750%	7/15/42	520	407	Medtronic Inc.	4.375%	3/15/35	249	255
	Anheuser-Busch InBev Worldwide Inc.	4.600%	4/15/48	395	355	Memorial Sloan-Kettering Cancer Center New York GO	4.125%	7/1/52	310	311
	Archer-Daniels-Midland Co.	4.500%	3/15/49	970	996	Memorial Sloan-Kettering Cancer Center New York GO	4.200%	7/1/55	280	287
	Ascension Health	3.945%	11/15/46	365	352	Merck & Co. Inc.	2.350%	2/10/22	790	774
2	Ascension Health	4.847%	11/15/53	55	60	Merck & Co. Inc.	2.800%	5/18/23	1,175	1,157
	AstraZeneca plc	1.950%	9/18/19	390	387	Merck & Co. Inc.	2.750%	2/10/25	1,210	1,170
	AstraZeneca plc	2.375%	11/16/20	1,180	1,159	Merck & Co. Inc.	4.150%	5/18/43	760	769
	AstraZeneca plc	4.000%	1/17/29	945	937	Mercy Health	4.302%	7/1/28	440	449
	AstraZeneca plc	6.450%	9/15/37	615	737	Molson Coors Brewing Co.	3.500%	5/1/22	690	679
	BAT Capital Corp.	3.557%	8/15/27	1,875	1,664	Mylan NV	3.950%	6/15/26	1,675	1,519
4	Bayer US Finance II LLC	4.250%	12/15/25	975	952	New York & Presbyterian Hospital	4.024%	8/1/45	735	723
4	Bayer US Finance LLC	2.375%	10/8/19	200	199	Novartis Capital Corp.	3.400%	5/6/24	415	416
4	Bayer US Finance LLC	3.000%	10/8/21	1,980	1,938	Novartis Capital Corp.	4.400%	5/6/44	640	680
	Biogen Inc.	2.900%	9/15/20	550	546	Partners Healthcare System Massachusetts GO	3.443%	7/1/21	50	50
	Cardinal Health Inc.	2.400%	11/15/19	625	621	PepsiCo Inc.	2.750%	3/5/22	670	664
	Cardinal Health Inc.	3.200%	3/15/23	1,065	1,037	PepsiCo Inc.	2.375%	10/6/26	1,945	1,779
	Cardinal Health Inc.	3.079%	6/15/24	320	299	PepsiCo Inc.	4.000%	3/5/42	845	832
	Cardinal Health Inc.	3.500%	11/15/24	580	554	PepsiCo Inc.	3.450%	10/6/46	1,215	1,097
	Cardinal Health Inc.	4.500%	11/15/44	665	567	Pfizer Inc.	3.000%	6/15/23	755	749
4	Cargill Inc.	4.307%	5/14/21	2,092	2,145	Pfizer Inc.	3.000%	12/15/26	725	699
4	Cargill Inc.	6.875%	5/1/28	645	776	Pfizer Inc.	4.100%	9/15/38	1,505	1,516
4	Cargill Inc.	4.760%	11/23/45	635	687	Philip Morris International Inc.	4.500%	3/26/20	250	254
	Catholic Health Initiatives Colorado GO	2.950%	11/1/22	535	518	Philip Morris International Inc.	4.125%	5/17/21	1,025	1,044
	Catholic Health Initiatives Colorado GO	4.200%	8/1/23	535	545	Philip Morris International Inc.	2.500%	8/22/22	575	551
2	Catholic Health Initiatives Colorado GO	4.350%	11/1/42	496	450	Philip Morris International Inc.	2.625%	3/6/23	1,150	1,098
	Celgene Corp.	2.250%	5/15/19	160	160	Philip Morris International Inc.	3.375%	8/11/25	424	412
	Celgene Corp.	3.550%	8/15/22	475	470	Philip Morris International Inc.	4.875%	11/15/43	145	143
	Coca-Cola Co.	3.300%	9/1/21	300	303	2 Procter & Gamble - Esop	9.360%	1/1/21	557	602
	Coca-Cola European Partners PLC	3.500%	9/15/20	500	499	Providence St. Joseph Health Obligated Group	2.746%	10/1/26	490	457
	Coca-Cola Femsa SAB de CV	3.875%	11/26/23	850	850	2 Providence St. Joseph Health Obligated Group	3.930%	10/1/48	325	310
	Colgate-Palmolive Co.	7.600%	5/19/25	480	600	4 Roche Holdings Inc.	2.875%	9/29/21	850	846
	Conagra Brands Inc.	4.600%	11/1/25	220	222	4 Roche Holdings Inc.	2.375%	1/28/27	1,650	1,514
	Conagra Brands Inc.	5.300%	11/1/38	655	618	Sanofi	4.000%	3/29/21	1,130	1,154
	Constellation Brands Inc.	2.700%	5/9/22	65	62	4 Sigma Alimentos SA de CV	4.125%	5/2/26	510	480
	CVS Health Corp.	2.750%	12/1/22	965	921	4 South Carolina Electric & Gas Co.	2.750%	6/15/20	550	541
	CVS Health Corp.	4.875%	7/20/35	315	303	4 South Carolina Electric & Gas Co.	3.250%	6/7/22	1,480	1,425
	CVS Health Corp.	5.125%	7/20/45	1,380	1,354	4 South Carolina Electric & Gas Co.	3.500%	6/15/22	235	228
	CVS Health Corp.	5.050%	3/25/48	615	599	SSM Health Care Corp.	3.823%	6/1/27	940	930
	Diageo Capital plc	2.625%	4/29/23	1,230	1,192	Stanford Health Care	3.795%	11/15/48	235	226
	Diageo Investment Corp.	2.875%	5/11/22	525	519	Teva Pharmaceutical Finance Netherlands III BV	2.800%	7/21/23	980	853
	Dignity Health California GO	2.637%	11/1/19	140	140	Unilever Capital Corp.	4.250%	2/10/21	2,805	2,878
	Dignity Health California GO	3.812%	11/1/24	560	558					
	Eli Lilly & Co.	3.700%	3/1/45	635	588	Energy (1.1%)				
4	EMD Finance LLC	2.950%	3/19/22	605	594	4 BG Energy Capital plc	4.000%	10/15/21	555	564
4	Forest Laboratories Inc.	4.875%	2/15/21	268	275	4 BG Energy Capital plc	5.125%	10/15/41	600	619
	Gilead Sciences Inc.	2.550%	9/1/20	615	610	BP Capital Markets America Inc.	4.500%	10/1/20	400	409
	Gilead Sciences Inc.	3.700%	4/1/24	1,010	1,003	BP Capital Markets America Inc.	3.245%	5/6/22	650	646
	Gilead Sciences Inc.	3.500%	2/1/25	560	545	BP Capital Markets plc	4.750%	3/10/19	795	798
	Gilead Sciences Inc.	4.500%	2/1/45	825	790	BP Capital Markets plc	2.315%	2/13/20	160	158
	Gilead Sciences Inc.	4.750%	3/1/46	195	194	BP Capital Markets plc	3.062%	3/17/22	1,100	1,089
	GlaxoSmithKline Capital Inc.	2.800%	3/18/23	385	377	BP Capital Markets plc	2.500%	11/6/22	500	484
	GlaxoSmithKline Capital Inc.	5.375%	4/15/34	2,000	2,226	BP Capital Markets plc	3.994%	9/26/23	420	430
4	Imperial Tobacco Finance plc	3.750%	7/21/22	1,680	1,658	BP Capital Markets plc	3.814%	2/10/24	1,700	1,704
	Kaiser Foundation Hospitals	3.500%	4/1/22	560	556	BP Capital Markets plc	3.506%	3/17/25	1,280	1,254
	Kaiser Foundation Hospitals	3.150%	5/1/27	490	471	Chevron Corp.	3.191%	6/24/23	1,235	1,233
	Kaiser Foundation Hospitals	4.875%	4/1/42	365	409	ConocoPhillips Co.	4.950%	3/15/26	115	123
	Kraft Heinz Foods Co.	3.000%	6/1/26	530	473	Dominion Energy Gas Holdings LLC	3.550%	11/1/23	470	465
	Kraft Heinz Foods Co.	5.000%	7/15/35	230	216	Dominion Energy Gas Holdings LLC	4.800%	11/1/43	125	127
	Kraft Heinz Foods Co.	4.375%	6/1/46	2,260	1,879					
	Kroger Co.	3.850%	8/1/23	270	270					
	Kroger Co.	4.000%	2/1/24	540	541					

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Dominion Energy Gas Holdings LLC	4.600%	12/15/44	1,168	1,150		2.900%	5/20/24	1,020	971	
Enterprise Products Operating LLC	4.250%	2/15/48	730	658	4	3.595%	1/19/28	1,545	1,441	
EOG Resources Inc.	5.625%	6/1/19	425	429		Transportation (0.4%)				
Exxon Mobil Corp.	2.222%	3/1/21	380	375		Burlington Northern Santa Fe LLC	3.000%	3/15/23	565	558
Exxon Mobil Corp.	2.726%	3/1/23	320	315		Burlington Northern Santa Fe LLC	3.850%	9/1/23	1,630	1,664
Exxon Mobil Corp.	3.043%	3/1/26	225	220		Burlington Northern Santa Fe LLC	3.250%	6/15/27	335	329
Exxon Mobil Corp.	4.114%	3/1/46	320	326	2	Continental Airlines 2007-1 Class A Pass Through Trust				
Noble Energy Inc.	4.150%	12/15/21	425	427		5.983%	10/19/23	643	674	
Occidental Petroleum Corp.	4.100%	2/1/21	1,120	1,139		CSX Corp.	4.300%	3/1/48	445	424
Occidental Petroleum Corp.	2.700%	2/15/23	250	242	4	ERAC USA Finance LLC	2.350%	10/15/19	610	606
Occidental Petroleum Corp.	3.400%	4/15/26	240	235	4	ERAC USA Finance LLC	4.500%	8/16/21	325	332
4 Schlumberger Holdings Corp.	3.000%	12/21/20	800	793	4	ERAC USA Finance LLC	3.300%	10/15/22	40	39
4 Schlumberger Investment SA	2.400%	8/1/22	630	611	4	ERAC USA Finance LLC	7.000%	10/15/37	1,150	1,420
Schlumberger Investment SA	3.650%	12/1/23	1,120	1,127	2	Federal Express Corp. 1998 Pass Through Trust				
Shell International Finance BV	4.125%	5/11/35	1,130	1,133		6.720%	1/15/22	639	662	
Shell International Finance BV	5.500%	3/25/40	345	400		FedEx Corp.	2.700%	4/15/23	255	245
Shell International Finance BV	4.375%	5/11/45	2,500	2,577		FedEx Corp.	4.100%	4/15/43	500	428
Suncor Energy Inc.	5.950%	12/1/34	500	555		FedEx Corp.	5.100%	1/15/44	305	300
Sunoco Logistics Partners Operations LP	4.400%	4/1/21	1,225	1,236		Kansas City Southern	4.950%	8/15/45	480	495
Total Capital International SA	2.700%	1/25/23	885	865	4	Penske Truck Leasing Co. LP / PTL Finance Corp.				
Total Capital International SA	3.750%	4/10/24	1,400	1,422	2	3.950%	3/10/25	1,435	1,409	
TransCanada PipeLines Ltd.	3.800%	10/1/20	1,220	1,227	2	Southwest Airlines Co. 2007-1 Pass Through Trust				
TransCanada PipeLines Ltd.	4.875%	1/15/26	1,255	1,298	2	6.150%	2/1/24	286	298	
						United Airlines 2018-1 Class B Pass Through Trust				
Other Industrial (0.2%)						4.600%	3/1/26	215	214	
2 Johns Hopkins University Maryland GO	4.083%	7/1/53	690	709		United Parcel Service Inc.	2.450%	10/1/22	425	414
4 SBA Tower Trust	3.168%	4/11/22	1,330	1,306		United Parcel Service Inc.	4.875%	11/15/40	150	160
4 SBA Tower Trust	3.448%	3/15/23	705	699		284,396				
2.4 SBA Tower Trust	2.898%	10/15/44	1,205	1,197		Utilities (2.7%)				
						Electric (2.4%)				
Technology (1.6%)						Alabama Power Co.	5.200%	6/1/41	120	130
Apple Inc.	3.000%	2/9/24	620	610		Alabama Power Co.	4.100%	1/15/42	215	206
Apple Inc.	3.450%	5/6/24	1,000	1,006		Alabama Power Co.	3.750%	3/1/45	630	576
Apple Inc.	2.850%	5/11/24	1,225	1,194		Alabama Power Co.	4.300%	7/15/48	775	780
Apple Inc.	2.750%	1/13/25	590	567		Ameren Illinois Co.	3.800%	5/15/28	590	600
Apple Inc.	3.250%	2/23/26	1,020	997		Ameren Illinois Co.	6.125%	12/15/28	1,000	1,124
Apple Inc.	2.450%	8/4/26	1,170	1,082		Ameren Illinois Co.	3.700%	12/1/47	140	130
Apple Inc.	3.350%	2/9/27	1,545	1,509		Berkshire Hathaway Energy Co.	6.125%	4/1/36	1,160	1,387
Apple Inc.	3.200%	5/11/27	1,065	1,028		Berkshire Hathaway Energy Co.	5.150%	11/15/43	1,490	1,589
Apple Inc.	2.900%	9/12/27	2,250	2,113		Commonwealth Edison Co.	2.950%	8/15/27	645	612
Apple Inc.	3.850%	5/4/43	430	408		Commonwealth Edison Co.	4.350%	11/15/45	220	223
Apple Inc.	4.450%	5/6/44	120	123		Commonwealth Edison Co.	3.650%	6/15/46	175	159
Apple Inc.	3.850%	8/4/46	985	930		Commonwealth Edison Co.	4.000%	3/1/48	480	465
Applied Materials Inc.	3.300%	4/1/27	875	835		Consolidated Edison Co. of New York Inc.	4.500%	12/1/45	980	992
Broadcom Corp. / Broadcom Cayman Finance Ltd.	3.625%	1/15/24	905	852		Consolidated Edison Co. of New York Inc.	3.850%	6/15/46	76	70
Cisco Systems Inc.	2.500%	9/20/26	431	399		Consolidated Edison Co. of New York Inc.	4.625%	12/1/54	1,835	1,774
Intel Corp.	2.875%	5/11/24	800	777		Consolidated Edison Co. of New York Inc.	4.500%	5/15/58	680	662
Intel Corp.	4.100%	5/19/46	1,360	1,332		Delmarva Power & Light Co.	3.500%	11/15/23	305	306
International Business Machines Corp.	3.375%	8/1/23	1,750	1,722		7 Dominion Energy Inc.	2.962%	7/1/19	495	494
International Business Machines Corp.	5.875%	11/29/32	1,010	1,185		Dominion Energy Inc.	5.200%	8/15/19	750	757
Microsoft Corp.	2.375%	2/12/22	635	627		Dominion Energy Inc.	2.579%	7/1/20	640	630
Microsoft Corp.	3.625%	12/15/23	500	514		DTE Energy Co.	3.800%	3/15/27	250	245
Microsoft Corp.	2.875%	2/6/24	1,385	1,369		Duke Energy Carolinas LLC	3.900%	6/15/21	1,090	1,110
Microsoft Corp.	2.700%	2/12/25	760	734		Duke Energy Carolinas LLC	6.100%	6/1/37	391	474
Microsoft Corp.	3.125%	11/3/25	845	835		Duke Energy Carolinas LLC	3.700%	12/1/47	470	434
Microsoft Corp.	2.400%	8/8/26	1,890	1,765		Duke Energy Corp.	2.650%	9/1/26	315	287
Microsoft Corp.	3.500%	2/12/35	605	581		Duke Energy Corp.	4.800%	12/15/45	1,200	1,216
Microsoft Corp.	3.450%	8/8/36	1,725	1,632		Duke Energy Corp.	3.750%	9/1/46	265	230
Microsoft Corp.	4.100%	2/6/37	1,225	1,259		Duke Energy Florida LLC	6.350%	9/15/37	200	248
Microsoft Corp.	4.450%	11/3/45	380	405		Duke Energy Progress LLC	6.300%	4/1/38	365	454
Microsoft Corp.	3.700%	8/8/46	1,615	1,546		Duke Energy Progress LLC	4.100%	3/15/43	118	116
Microsoft Corp.	4.250%	2/6/47	2,500	2,625		Duke Energy Progress LLC	4.200%	8/15/45	2,045	2,032
Oracle Corp.	2.800%	7/8/21	375	373		Entergy Louisiana LLC	3.120%	9/1/27	410	390
Oracle Corp.	2.500%	5/15/22	1,210	1,184		Eversource Energy	4.500%	11/15/19	90	91
Oracle Corp.	2.950%	11/15/24	2,190	2,130		Eversource Energy	2.900%	10/1/24	690	661
Oracle Corp.	2.950%	5/15/25	355	341		Eversource Energy	3.150%	1/15/25	110	106
Oracle Corp.	3.250%	11/15/27	3,065	2,947		Eversource Energy	3.300%	1/15/28	400	385
Oracle Corp.	4.000%	11/15/47	895	836						
QUALCOMM Inc.	2.600%	1/30/23	705	677						

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Taxable Municipal Bonds (1.6%)				
Atlanta GA Downtown Development Authority Revenue	6.875%	2/1/21	190	199
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	6.263%	4/1/49	685	932
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	7.043%	4/1/50	1,025	1,456
California GO	5.700%	11/1/21	265	285
California GO	7.500%	4/1/34	155	211
California GO	7.550%	4/1/39	740	1,060
California GO	7.300%	10/1/39	300	412
California GO	7.350%	11/1/39	2,000	2,761
California GO	7.625%	3/1/40	35	50
California GO	7.600%	11/1/40	790	1,150
Chicago IL Metropolitan Water Reclamation District GO	5.720%	12/1/38	215	258
Chicago IL O'Hare International Airport Revenue	6.845%	1/1/38	530	548
Chicago IL O'Hare International Airport Revenue	6.395%	1/1/40	425	542
Chicago IL Transit Authority Sales Tax Receipts Revenue	6.200%	12/1/40	50	61
Chicago IL Transit Authority Sales Tax Receipts Revenue	6.899%	12/1/40	695	888
Chicago IL Transit Authority Transfer Tax Receipts Revenue	6.899%	12/1/40	1,560	1,993
Dallas TX Area Rapid Transit Revenue	5.999%	12/1/44	750	973
Georgia Municipal Electric Power Authority Revenue	6.637%	4/1/57	1,801	1,904
Georgia Municipal Electric Power Authority Revenue	6.655%	4/1/57	230	252
Grand Parkway Transportation Corp. Texas System Toll Revenue	5.184%	10/1/42	1,015	1,192
Houston TX GO	6.290%	3/1/32	410	484
Illinois GO	5.100%	6/1/33	1,235	1,178
Illinois Toll Highway Authority Revenue	6.184%	1/1/34	750	941
¹¹ Kansas Development Finance Authority Revenue (Public Employees Retirement System)	5.501%	5/1/34	2,000	2,281
Los Angeles CA Community College District GO	6.750%	8/1/49	405	586
Los Angeles CA Unified School District GO	5.750%	7/1/34	610	722
Maryland Transportation Authority Facilities Projects Revenue	5.888%	7/1/43	545	682
Massachusetts School Building Authority Dedicated Sales Tax Revenue	5.715%	8/15/39	1,000	1,225
New Jersey Turnpike Authority Revenue	7.414%	1/1/40	410	578
New Jersey Turnpike Authority Revenue	7.102%	1/1/41	600	820
New York City NY Municipal Water Finance Authority Water & Sewer System Revenue	5.790%	6/15/41	115	119

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
New York City NY Municipal Water Finance Authority Water & Sewer System Revenue	5.882%	6/15/44	80	103
New York Metropolitan Transportation Authority Revenue	6.814%	11/15/40	70	93
New York Metropolitan Transportation Authority Revenue (Dedicated Tax Fund)	7.336%	11/15/39	325	461
New York Metropolitan Transportation Authority Revenue (Dedicated Tax Fund)	6.089%	11/15/40	445	548
New York State Urban Development Corp. Revenue	2.100%	3/15/22	3,040	2,998
North Texas Tollway Authority System Revenue	6.718%	1/1/49	1,555	2,140
Oregon Department of Transportation Highway User Tax Revenue	5.834%	11/15/34	655	814
Oregon GO	5.902%	8/1/38	490	600
¹¹ Oregon School Boards Association GO	5.528%	6/30/28	2,000	2,284
Port Authority of New York & New Jersey Revenue	5.859%	12/1/24	325	371
Port Authority of New York & New Jersey Revenue	6.040%	12/1/29	265	322
Port Authority of New York & New Jersey Revenue	4.458%	10/1/62	1,175	1,195
Port Authority of New York & New Jersey Revenue	4.810%	10/15/65	640	695
Regents of the University of California Revenue	3.063%	7/1/25	1,280	1,263
San Antonio TX Electric & Gas Systems Revenue	5.985%	2/1/39	305	398
University of California Regents Medical Center Revenue	6.548%	5/15/48	295	389
University of California Regents Medical Center Revenue	6.583%	5/15/49	765	1,012
University of California Revenue	4.601%	5/15/31	590	633
University of California Revenue	5.770%	5/15/43	1,010	1,215
University of California Revenue	4.765%	5/15/44	145	153
University of California Revenue	3.931%	5/15/45	570	554
Total Taxable Municipal Bonds (Cost \$41,160)			44,984	

Shares

Temporary Cash Investments (1.4%)

Money Market Fund (0.2%)

^{12,13} Vanguard Market Liquidity Fund	2.530%		52,085	5,208
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Face Amount (\$000)

Repurchase Agreement (1.2%)

RBC Capital Markets LLC (Dated 12/31/18, Repurchase Value \$32,005,000, collateralized by U.S. Treasury Note/Bond, 0.125%, 4/15/19, with a value of \$32,640,000)	2.920%	1/2/19	32,000	32,000
Total Temporary Cash Investments (Cost \$37,208)			37,208	

Total Investments (99.8%) (Cost \$2,436,363) 2,702,565

Balanced Portfolio

	Amount (\$000)
Other Assets and Liabilities (0.2%)	
Other Assets	
Investment in Vanguard	149
Receivables for Accrued Income	10,845
Receivables for Capital Shares Issued	7,125
Variation Margin Receivable—Futures Contracts	72
Unrealized Appreciation—Forward Currency Contracts	54
Unrealized Appreciation—OTC Swap Contracts	4
Other Assets	782
Total Other Assets	19,031
Liabilities	
Payables for Investment Securities Purchased	(1,636)
Collateral for Securities on Loan	(5,200)
Payables for Capital Shares Redeemed	(3,959)
Payables to Investment Advisor	(374)
Payables to Vanguard	(2,261)
Variation Margin Payable—Futures Contracts	(78)
Unrealized Depreciation—Forward Currency Contracts	(239)
Unrealized Depreciation—OTC Swap Contracts	(7)
Other Liabilities	(223)
Total Liabilities	(13,977)
Net Assets (100%)	
Applicable to 121,979,098 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,707,619
Net Asset Value Per Share	\$22.20

At December 31, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	2,207,526
Total Distributable Earnings (Loss)	500,093
Net Assets	2,707,619

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

^ Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$4,987,000.

- 1 Securities with a value of \$500,000 have been segregated as initial margin for open futures contracts.
- 2 The average or expected maturity is shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or the possibility of the issue being called.
- 3 The issuer was placed under federal conservatorship in September 2008; since that time, its daily operations have been managed by the Federal Housing Finance Agency and it receives capital from the U.S. Treasury, as needed to maintain a positive net worth, in exchange for senior preferred stock.
- 4 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2018, the aggregate value of these securities was \$162,322,000, representing 6.0% of net assets.
- 5 Adjustable-rate security based upon 3-month USD LIBOR plus spread.
- 6 Adjustable-rate security based upon 1-month USD LIBOR plus spread.
- 7 Adjustable-rate security.
- 8 Face amount denominated in Canadian dollars.
- 9 Guaranteed by the Government of Japan.
- 10 Face amount denominated in Japanese yen.
- 11 Scheduled principal and interest payments are guaranteed by AGM (Assured Guaranty Municipal Corporation).
- 12 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.
- 13 Includes \$5,200,000 of collateral received for securities on loan.
 - ADR—American Depositary Receipt.
 - GDR—Global Depositary Receipt.
 - GO—General Obligation Bond.
 - OTC—over-the-counter.
 - REMICs—Real Estate Mortgage Investment Conduits.

Balanced Portfolio

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
				(\$000)
Long Futures Contracts				
5-Year U.S. Treasury Note	March 2019	256	29,360	478
2-Year U.S. Treasury Note	March 2019	56	11,890	77
				555
Short Futures Contracts				
10-Year U.S. Treasury Note	March 2019	(122)	(14,886)	(352)
Ultra Long U.S. Treasury Bond	March 2019	(51)	(8,193)	(438)
				(790)
				(235)

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation (Depreciation) (\$000)
		Receive		Deliver		
J.P. Morgan Securities LLC	1/9/19	USD	4,663	JPY	524,900	(129)
BNP Paribas	1/3/19	USD	2,016	CAD	2,678	54
Citibank, N.A.	2/12/19	USD	1,664	JPY	187,500	(52)
J.P. Morgan Securities LLC	2/12/19	USD	1,659	JPY	187,500	(58)
						(185)

CAD—Canadian dollar.

JPY—Japanese yen.

USD—U.S. dollar.

Over-the-Counter Credit Default Swaps

Reference Entity	Termination Date	Counterparty	Notional Amount (\$000)	Periodic Premium Received (Paid) ¹ (%)	Value (\$000)	Remaining Up-Front Premium Received (Paid) (\$000)	Unrealized Appreciation (Depreciation) (\$000)
Credit Protection Purchased							
General Electric Co.	12/20/23	GSI	500	(1.000)	21	(21)	—
General Electric Co.	12/20/23	GSI	330	(1.000)	14	(10)	4
General Electric Co.	12/20/23	GSI	300	(1.000)	13	(13)	—
General Electric Co.	12/20/23	GSI	275	(1.000)	11	(12)	(1)
General Electric Co.	12/20/23	GSI	220	(1.000)	9	(10)	(1)
General Electric Co.	12/20/23	GSI	200	(1.000)	8	(12)	(4)
General Electric Co.	12/20/23	GSI	110	(1.000)	5	(5)	—
General Electric Co.	12/20/23	GSI	55	(1.000)	2	(3)	(1)
					83	(86)	(3)

¹ Periodic premium received/paid quarterly.

GSI—Goldman Sachs International.

Statement of Operations

	Year Ended December 31, 2018
	(\$000)
Investment Income	
Income	
Dividends ¹	50,296
Interest	32,557
Securities Lending—Net	153
Total Income	83,006
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	1,501
Performance Adjustment	(71)
The Vanguard Group—Note C	
Management and Administrative	4,103
Marketing and Distribution	389
Custodian Fees	38
Auditing Fees	33
Shareholders' Reports	41
Trustees' Fees and Expenses	4
Total Expenses	6,038
Net Investment Income	76,968
Realized Net Gain (Loss)	
Investment Securities Sold ²	159,764
Futures Contracts	1,971
Swap Contracts	(3)
Forward Currency Contracts	(376)
Foreign Currencies	(3)
Realized Net Gain (Loss)	161,353
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	(334,093)
Futures Contracts	(327)
Swap Contracts	(3)
Forward Currency Contracts	(128)
Foreign Currencies	(19)
Change in Unrealized Appreciation (Depreciation)	(334,570)
Net Increase (Decrease) in Net Assets Resulting from Operations	(96,249)

¹ Dividends are net of foreign withholding taxes of \$1,203,000.

² Realized net gain (loss) and change in unrealized appreciation (depreciation) from an affiliated company of the fund were \$5,000 and \$1,000. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended December 31,	
	2018	2017
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	76,968	67,553
Realized Net Gain (Loss)	161,353	145,360
Change in Unrealized Appreciation (Depreciation)	(334,570)	162,749
Net Increase (Decrease) in Net Assets Resulting from Operations	(96,249)	375,662
Distributions		
Net Investment Income	(68,274)	(62,751)
Realized Capital Gain ¹	(144,148)	(98,841)
Total Distributions	(212,422)	(161,592)
Capital Share Transactions		
Issued	245,575	292,273
Issued in Lieu of Cash Distributions	212,422	161,592
Redeemed	(384,075)	(279,856)
Net Increase (Decrease) from Capital Share Transactions	73,922	174,009
Total Increase (Decrease)	(234,749)	388,079
Net Assets		
Beginning of Period	2,942,368	2,554,289
End of Period	2,707,619	2,942,368

¹ Includes fiscal 2018 and 2017 short-term gain distributions totaling \$13,427,000 and \$8,278,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2018	2017	2016	2015	2014
Net Asset Value, Beginning of Period	\$24.80	\$23.03	\$22.32	\$23.99	\$23.66
Investment Operations					
Net Investment Income	.626 ¹	.582 ¹	.581	.576	.569
Net Realized and Unrealized Gain (Loss) on Investments	(1.414)	2.648	1.713	(.548)	1.613
Total from Investment Operations	(.788)	3.230	2.294	.028	2.182
Distributions					
Dividends from Net Investment Income	(.582)	(.567)	(.576)	(.570)	(.555)
Distributions from Realized Capital Gains	(1.230)	(.893)	(1.008)	(1.128)	(1.297)
Total Distributions	(1.812)	(1.460)	(1.584)	(1.698)	(1.852)
Net Asset Value, End of Period	\$22.20	\$24.80	\$23.03	\$22.32	\$23.99
Total Return	-3.41%	14.72%	11.01%	0.09%	9.84%
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	\$2,708	\$2,942	\$2,554	\$2,312	\$2,334
Ratio of Total Expenses to Average Net Assets ²	0.21%	0.23%	0.23%	0.23%	0.25%
Ratio of Net Investment Income to Average Net Assets	2.67%	2.49%	2.66%	2.53%	2.50%
Portfolio Turnover Rate ³	36%	28%	33%	45%	70%

¹ Calculated based on average shares outstanding.

² Includes performance-based investment advisory fee increases (decreases) of (0.00)%, (0.00)%, (0.01)%, 0.00%, and 0.00%.

³ Includes 2%, 0%, 0%, 14%, and 15% attributable to mortgage-dollar-roll activity.

Notes to Financial Statements

Balanced Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Certain of the portfolio's investments are in corporate debt instruments; the issuers' abilities to meet their obligations may be affected by economic developments in their respective industries.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. Security Valuation: Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Bonds and temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services. Structured debt securities, including mortgages and asset-backed securities, are valued using the latest bid prices or using valuations based on a matrix system that considers such factors as issuer, tranche, nominal or option-adjusted spreads, weighted average coupon, weighted average maturity, credit enhancements, and collateral. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time

the foreign markets close and the portfolio's pricing time. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities.

2. Foreign Currency: Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates obtained from an independent third party as of the portfolio's pricing time on the valuation date. Realized gains (losses) and unrealized appreciation (depreciation) on investment securities include the effects of changes in exchange rates since the securities were purchased, combined with the effects of changes in security prices. Fluctuations in the value of other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses) until the assets or liabilities are settled in cash, at which time they are recorded as realized foreign currency gains (losses).

3. Futures Contracts: The portfolio uses futures contracts to invest in fixed income asset classes with greater efficiency and lower cost than is possible through direct investment, to add value when these instruments are attractively priced, or to adjust sensitivity to changes in interest rates. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of bonds held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Statement of Net Assets.

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized futures gains (losses).

During the year ended December 31, 2018, the portfolio's average investments in long and short futures contracts represented less than 1% and 1% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

4. Forward Currency Contracts: The portfolio enters into forward currency contracts to protect the value of securities and related receivables and payables against changes in future foreign exchange rates. The portfolio's risks in using these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the ability of the counterparties to fulfill their obligations under the contracts. The portfolio mitigates its counterparty risk by entering into forward currency contracts only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. The master netting arrangements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate the forward currency contracts, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The forward currency contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio's net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any assets pledged as collateral for open contracts are noted in the Statement of Net Assets. The value of collateral received or pledged is compared daily to the value of the forward currency contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

Forward currency contracts are valued at their quoted daily prices obtained from an independent third party, adjusted for currency risk based on the expiration date of each contract. The notional amounts of the contracts are not recorded in the Statement of Net Assets. Fluctuations in the value of the contracts are recorded in the Statement of Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the contracts are closed, when they are recorded as realized forward currency contract gains (losses).

During the year ended December 31, 2018, the portfolio's average investment in forward currency contracts represented 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

5. Swap Contracts: The portfolio invests in credit default swaps to adjust the overall credit risk of the portfolio or to actively overweight or underweight credit risk to a specific issuer or group of issuers. The portfolio may sell credit protection through credit default swaps to simulate investments in long positions that are either unavailable or considered to be less attractively priced in the bond market. The portfolio may purchase credit protection through credit default swaps to reduce credit exposure to a given issuer or issuers. Under the terms of the swaps, an up-front payment may be exchanged between the seller and buyer. In addition, the seller of the credit protection receives a periodic payment of premium from the buyer that is a fixed percentage applied to a notional amount. If, for example, the reference entity is subject to a credit event (such as bankruptcy, failure to pay, or obligation acceleration) during the term of the swap, the seller agrees to either physically settle or cash settle the swap contract. If the swap is physically settled, the seller agrees to pay the buyer an amount equal to the notional amount and take delivery of a debt instrument of the reference issuer with a par amount equal to such notional amount. If the swap is cash settled, the seller agrees to pay the buyer the difference between the notional amount and the final price for the relevant debt instrument, as determined either in a market auction or pursuant to a pre-agreed-upon valuation procedure.

The notional amounts of swap contracts are not recorded in the Statement of Net Assets. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Net Assets as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until the seller of credit protection is required to take delivery (or, in a cash settled swap, pay the settlement amount determined) upon occurrence of a credit event, periodic payments are made, or the swap terminates, at which time realized gain (loss) is recorded. The net premium to be received or paid by the portfolio under swap contracts is accrued daily and recorded as realized gain (loss) over the life of the contract.

The primary risk associated with selling credit protection is that, upon the occurrence of a defined credit event, the market value of the debt instrument received by the portfolio (or, in a cash settled swap, the debt instruments used to determine the settlement payment by the portfolio) will be significantly less than the amount paid by the portfolio and, in a physically settled swap, the portfolio may receive an illiquid debt instrument. A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the portfolio. The portfolio maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The portfolio mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the portfolio may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any securities pledged as collateral for open contracts are noted in the Statement of Net Assets. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

During the year ended December 31, 2018, the portfolio average amounts of investments in credit protection purchased swaps represented less than 1% of net assets, based on the average of notional amounts at each quarter-end during the period.

6. To Be Announced (TBA) Transactions: A TBA transaction is an agreement to buy or sell mortgage-backed securities with agreed-upon characteristics (face amount, coupon, maturity) for settlement at a future date. The portfolio may be a seller of TBA transactions to reduce its exposure to the mortgage-backed securities market or in order to sell mortgage-backed securities it owns under delayed-delivery arrangements. When the portfolio is a buyer of TBA transactions, it maintains cash or short-term investments in an amount sufficient to meet the purchase price at the settlement date of the TBA transaction. The primary risk associated with TBA transactions is that a counterparty may default on its obligations. The portfolio mitigates its counterparty risk by, among other things, performing a credit analysis of counterparties, allocating transactions among numerous counterparties, and monitoring its exposure to each counterparty. The portfolio may also enter into a Master Securities Forward Transaction Agreement (MSFTA) with certain counterparties and require them to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or

received by the portfolio cannot be repledged, resold, or rehypothecated. Under an MSFTA, upon a counterparty default (including bankruptcy), the portfolio may terminate any TBA transactions with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements.

7. Mortgage Dollar Rolls: The portfolio enters into mortgage-dollar-roll transactions, in which the portfolio sells mortgage-backed securities to a dealer and simultaneously agrees to purchase similar securities in the future at a predetermined price. The proceeds of the securities sold in mortgage-dollar-roll transactions are typically invested in high-quality short-term fixed income securities. The portfolio forgoes principal and interest paid on the securities sold, and is compensated by interest earned on the proceeds of the sale and by a lower price on the securities to be repurchased. The portfolio has also entered into mortgage-dollar-roll transactions in which the portfolio buys mortgage-backed securities from a dealer pursuant to a TBA transaction and simultaneously agrees to sell similar securities in the future at a predetermined price. The securities bought in mortgage-dollar-roll transactions are used to cover an open TBA sell position. The portfolio continues to earn interest on mortgage-backed security pools already held and receives a lower price on the securities to be sold in the future. The portfolio accounts for mortgage-dollar-roll transactions as purchases and sales; as such, these transactions may increase the portfolio's portfolio turnover rate. Amounts to be received or paid in connection with open mortgage dollar rolls are included in Receivables for Investment Securities Sold or Payables for Investment Securities Purchased in the Statement of Net Assets.

8. Repurchase Agreements: The portfolio enters into repurchase agreements with institutional counterparties. Securities pledged as collateral to the portfolio under repurchase agreements are held by a custodian bank until the agreements mature, and in the absence of a default, such collateral cannot be repledged, resold, or rehypothecated. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal. The portfolio further mitigates its counterparty risk by entering into repurchase agreements only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master repurchase agreements with its counterparties. The master repurchase agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any repurchase agreements with that counterparty, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio. Such action may be subject to legal proceedings, which may delay or limit the disposition of collateral.

9. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2015–2018), and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

10. Distributions: Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes.

11. Securities Lending: To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

12. Credit Facility: The portfolio and certain other funds managed by The Vanguard Group (“Vanguard”) participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the portfolio’s regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio’s board of trustees and included in Management and Administrative expenses on the portfolio’s Statement of Operations. Any borrowings under this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The portfolio had no borrowings outstanding at December 31, 2018, or at any time during the period then ended.

13. Other: Dividend income is recorded on the ex-dividend date. Interest income is accrued daily. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, to interest income over the lives of the respective securities. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP provides investment advisory services to the portfolio for a fee calculated at an annual percentage rate of average net assets. The basic fee is subject to quarterly adjustments based on the portfolio’s performance relative to the combined index comprising the S&P 500 Index and the Bloomberg Barclays U.S. Credit A or Better Bond Index for the preceding three years. For the year ended December 31, 2018, the investment advisory fee represented an effective annual basic rate of 0.05% of the portfolio’s average net assets before a decrease of \$71,000 (0.00%) based on performance.

C. In accordance with the terms of a Funds’ Service Agreement (the “FSA”) between Vanguard and the portfolio, Vanguard furnishes to the portfolio corporate management, administrative, marketing, and distribution at Vanguard’s cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the portfolio’s liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets. All other costs of operations payable to Vanguard are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At December 31, 2018, the portfolio had contributed to Vanguard capital in the amount of \$149,000, representing 0.01% of the portfolio’s net assets and 0.06% of Vanguard’s capitalization. The portfolio’s trustees and officers are also directors and employees, respectively, of Vanguard.

D. Various inputs may be used to determine the value of the portfolio’s investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the portfolio’s own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Statement of Net Assets.

Balanced Portfolio

The following table summarizes the market value of the portfolio's investments as of December 31, 2018, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	1,551,392	192,348	—
U.S. Government and Agency Obligations	—	191,343	—
Asset-Backed/Commercial Mortgage-Backed Securities	—	35,446	—
Corporate Bonds	—	596,574	—
Sovereign Bonds	—	53,270	—
Taxable Municipal Bonds	—	44,984	—
Temporary Cash Investments	5,208	32,000	—
Futures Contracts—Assets ¹	72	—	—
Futures Contracts—Liabilities ¹	(78)	—	—
Forward Currency Contracts—Assets	—	54	—
Forward Currency Contracts—Liabilities	—	(239)	—
Swap Contracts—Assets	—	4	—
Swap Contracts—Liabilities	—	(7)	—
Total	1,556,594	1,145,777	—

¹ Represents variation margin on the last day of the reporting period.

E. At December 31, 2018, the fair values of derivatives were reflected in the Statement of Net Assets as follows:

Statement of Net Assets Caption	Interest Rate Contracts (\$000)	Currency Contracts (\$000)	Credit Contracts (\$000)	Total (\$000)
Variation Margin Receivable— Futures Contracts	72	—	—	72
Unrealized Appreciation— Forward Currency Contracts	—	54	—	54
Unrealized Appreciation— OTC Swap Contracts	—	—	4	4
Total Assets	72	54	4	130
Variation Margin Payable—Futures Contracts	(78)	—	—	(78)
Unrealized Depreciation— Forward Currency Contracts	—	(239)	—	(239)
Unrealized Depreciation— OTC Swap Contracts	—	—	(7)	(7)
Total Liabilities	(78)	(239)	(7)	(324)

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the year ended December 31, 2018, were:

	Interest Rate Contracts (\$000)	Currency Contracts (\$000)	Credit Contracts (\$000)	Total (\$000)
Realized Net Gain (Loss) on Derivatives	1,971	—	—	1,971
Forward Currency Contracts	—	(376)	—	(376)
Swap Contracts	—	—	(3)	(3)
Realized Net Gain (Loss) on Derivatives	1,971	(376)	(3)	(1,592)
Change in Unrealized Appreciation (Depreciation) on Derivatives	(327)	—	—	(327)
Forward Currency Contracts	—	(128)	—	(128)
Swap Contracts	—	—	(3)	(3)
Change in Unrealized Appreciation (Depreciation) on Derivatives	(327)	(128)	(3)	(458)

Balanced Portfolio

F. Permanent differences between book-basis and tax-basis components of net assets are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share. As of period end, permanent differences primarily attributable to the accounting for foreign currency transactions and swap agreements were reclassified between the individual components of total distributable earnings (loss).

	Amount (\$000)
Paid-in Capital	—
Total Distributable Earnings (Loss)	—

Temporary differences between book-basis and tax-basis components of total distributable earnings (loss) arise when certain items of income, gain, or loss are recognized in different periods for financial statement and tax purposes; these differences will reverse at some time in the future. The differences are primarily related to the tax deferral of losses on wash sales and straddles and the realization of unrealized gains or losses on certain futures contracts and forward currency contracts. As of period end, the tax-basis components of total distributable earnings (loss) are detailed in the table as follows:

	Amount (\$000)
Undistributed Ordinary Income	76,145
Undistributed Long-Term Gains	160,324
Capital Loss Carryforwards	—
Net Unrealized Gains (Losses)	265,692

As of December 31, 2018, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	2,436,958
Gross Unrealized Appreciation	376,275
Gross Unrealized Depreciation	(110,585)
Net Unrealized Appreciation (Depreciation)	265,690

G. During the year ended December 31, 2018, the portfolio purchased \$775,299,000 of investment securities and sold \$773,400,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were \$261,154,000 and \$222,911,000, respectively.

H. Capital shares issued and redeemed were:

	Year Ended December 31,	
	2018 Shares (000)	2017 Shares (000)
Issued	10,418	12,418
Issued in Lieu of Cash Distributions	9,268	7,227
Redeemed	(16,340)	(11,942)
Net Increase (Decrease) in Shares Outstanding	3,346	7,703

At December 31, 2018, one shareholder, an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders, was the record or beneficial owner of 74% of the portfolio's net assets. If the shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio or cause the portfolio to incur higher transaction costs.

I. Management has determined that no events or transactions occurred subsequent to December 31, 2018, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Variable Insurance Funds and Shareholders of Balanced Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of net assets of Balanced Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2018, the related statement of operations for the year ended December 31, 2018, the statement of changes in net assets for each of the two years in the period ended December 31, 2018, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2018 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2018, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2018 and the financial highlights for each of the five years in the period ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2018 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 13, 2019

We have served as the auditor of one or more investment companies in The Vanguard Group of Funds since 1975.

Special 2018 tax information (unaudited) for corporate shareholders only for Vanguard Balanced Portfolio, a portfolio of Vanguard Variable Insurance Funds

This information for the fiscal year ended December 31, 2018, is included pursuant to provisions of the Internal Revenue Code for corporate shareholders only.

The portfolio distributed \$130,727,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

For corporate shareholders, 46.8% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

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The People Who Govern Your Fund

The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 212 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at vanguard.com.

Interested Trustees¹

F. William McNabb III

Born in 1957. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: chairman of the board (January 2010–present) of Vanguard and of each of the investment companies served by Vanguard, trustee (2009–present) of each of the investment companies served by Vanguard, and director (2008–present) of Vanguard. Chief executive officer and president (2008–2017) of Vanguard and each of the investment companies served by Vanguard, managing director (1995–2008) of Vanguard, and director (1997–2018) of Vanguard Marketing Corporation. Director (2018–present) of UnitedHealth Group.

Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer (January 2018–present) of Vanguard; chief executive officer, president, and trustee (January 2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (February 2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Chairman of the board (2011–2017) of the Children's Hospital of Philadelphia.

Independent Trustees

Emerson U. Fullwood

Born in 1948. Trustee since January 2008. Principal occupation(s) during the past five years and other experience: executive chief staff and marketing officer for North America and corporate vice president (retired 2008) of Xerox Corporation (document management products and services). Former president of the Worldwide Channels Group, Latin America, and Worldwide Customer Service and executive chief staff officer of Developing Markets of Xerox. Executive in residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology. Lead director of SPX FLOW, Inc. (multi-industry manufacturing). Director of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, and Roberts Wesleyan College. Trustee of the University of Rochester.

Amy Gutmann

Born in 1949. Trustee since June 2006. Principal occupation(s) during the past five years and other experience: president (2004–present) of the University of Pennsylvania. Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and professor of communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania. Trustee of the National Constitution Center.

JoAnn Heffernan Heisen

Born in 1950. Trustee since July 1998. Principal occupation(s) during the past five years and other experience: corporate vice president of Johnson & Johnson (pharmaceuticals/medical devices/consumer products) and member of its executive committee (1997–2008). Chief global diversity officer (retired 2008), vice president and chief information officer (1997–2006), controller (1995–1997), treasurer (1991–1995), and assistant treasurer (1989–1991) of Johnson & Johnson. Director of Skytop Lodge Corporation (hotels) and the Robert Wood Johnson Foundation. Member of the advisory board of the Institute for Women's Leadership at Rutgers University.

F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services), Oxfam America, and the Lumina Foundation for Education. Director of the V Foundation for Cancer Research. Member of the advisory council for the College of Arts and Letters and chair of the advisory board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

Mark Loughridge

Born in 1953. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: senior vice president and chief financial officer (retired 2013) of IBM (information technology services). Fiduciary member of IBM's Retirement Plan Committee (2004–2013), senior vice president and general manager (2002–2004) of IBM Global Financing, vice president and controller (1998–2002) of IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

Scott C. Malpass

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (1989–present) and vice president (1996–present) of the University of Notre Dame. Assistant professor of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Chairman of the board of TIFF Advisory Services, Inc. Member of the board of Catholic Investment Services, Inc. (investment advisors), the board of advisors for Spruceview Capital Partners, and the board of superintendence of the Institute for the Works of Religion.

Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: president (2010–present) and chief executive officer (2011–present) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of Individual Life and Disability of The Guardian Life Insurance Company of America. Member of the board of The Guardian Life Insurance Company of America, the American Council of Life Insurers, the Partnership for New York City (business leadership), and the Committee Encouraging Corporate Philanthropy. Trustee of the Economic Club of New York and the Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

André F. Perold

Born in 1952. Trustee since December 2004. Principal occupation(s) during the past five years and other experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011). Chief investment officer and co-managing partner of HighVista Strategies LLC (private investment firm). Overseer of the Museum of Fine Arts Boston.

Sarah Bloom Raskin

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director of i(x) Investments, LLC.

¹ Mr. McNabb and Mr. Buckley are considered "interested persons," as defined in the Investment Company Act of 1940, because they are officers of the Vanguard funds.

Peter F. Volanakis

Born in 1955. Trustee since July 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2010) of Corning Incorporated (communications equipment) and director of Corning Incorporated (2000–2010) and Dow Corning (2001–2010). Director (2012) of SPX Corporation (multi-industry manufacturing). Overseer of the Amos Tuck School of Business Administration, Dartmouth College (2001–2013). Chairman of the board of trustees of Colby-Sawyer College. Member of the Board of Hypertherm Inc. (industrial cutting systems, software, and consumables).

Executive Officers**Glenn Booraem**

Born in 1967. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (2017–present), treasurer (2015–2017), controller (2010–2015), and assistant controller (2001–2010) of each of the investment companies served by Vanguard.

Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard and global head of Fund Administration at Vanguard. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG LLP (audit, tax, and advisory services).

Brian Dvorak

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2017–present) of Vanguard and each of the investment companies served by Vanguard. Assistant vice president (2017–present) of Vanguard Marketing Corporation. Vice president and director of Enterprise Risk Management (2011–2013) at Oppenheimer Funds, Inc.

Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2008–present) and treasurer (1998–2008) of each of the investment companies served by Vanguard.

Peter Mahoney

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Controller (2015–present) of each of the investment companies served by Vanguard. Head of International Fund Services (2008–2014) at Vanguard.

Anne E. Robinson

Born in 1970. Principal occupation(s) during the past five years and other experience: general counsel (2016–present) of Vanguard. Secretary (2016–present) of Vanguard and of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Director and senior vice president (2016–2018) of Vanguard Marketing Corporation. Managing director and general counsel of Global Cards and Consumer Services (2014–2016) at Citigroup. Counsel (2003–2014) at American Express.

Michael Rollings

Born in 1963. Principal occupation(s) during the past five years and other experience: finance director (2017–present) and treasurer (2017) of each of the investment companies served by Vanguard. Managing director (2016–present) of Vanguard. Chief financial officer (2016–present) of Vanguard. Director (2016–present) of Vanguard Marketing Corporation. Executive vice president and chief financial officer (2006–2016) of MassMutual Financial Group.

Vanguard Senior Management Team

Joseph Brennan	Chris D. McIsaac
Mortimer J. Buckley	James M. Norris
Gregory Davis	Thomas M. Rampulla
John James	Karin A. Risi
Martha G. King	Anne E. Robinson
John T. Marcante	Michael Rollings

Chairman Emeritus and Senior Advisor**John J. Brennan**

Chairman, 1996–2009
Chief Executive Officer and President, 1996–2008

Founder**John C. Bogle**

Chairman and Chief Executive Officer, 1974–1996



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