



Semiannual Report | June 30, 2018

Vanguard Variable Insurance Fund

Balanced Portfolio

Vanguard's Principles for Investing Success

We want to give you the best chance of investment success. These principles, grounded in Vanguard's research and experience, can put you on the right path.

Goals. Create clear, appropriate investment goals.

Balance. Develop a suitable asset allocation using broadly diversified funds.

Cost. Minimize cost.

Discipline. Maintain perspective and long-term discipline.

A single theme unites these principles: Focus on the things you can control. We believe there is no wiser course for any investor.

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Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus.

See the Glossary for definitions of investment terms used in this report.

About the cover: Nautical images have been part of Vanguard's rich heritage since its start in 1975. For an incoming ship, a lighthouse offers a beacon and safe path to shore. You can similarly depend on Vanguard to put you first—and light the way—as you strive to meet your financial goals. Our client focus and low costs, stemming from our unique ownership structure, assure that your interests are paramount.

CEO's Perspective



Tim Buckley
President and Chief Executive Officer

Dear Planholder,

I feel extremely fortunate to have the chance to lead a company filled with people who come to work every day passionate about Vanguard's core purpose: to take a stand for all investors, to treat them fairly, and to give them the best chance for investment success.

When I joined Vanguard in 1991, I found a mission-driven team focused on improving lives—helping people retire more comfortably, put their children through college, and achieve financial security. I also found a company with purpose in an industry ripe for improvement.

It was clear, even early in my career, that the cards were stacked against most investors. Hidden fees, performance-chasing, and poor advice were relentlessly eroding investors' dreams.

We knew Vanguard could be different and, as a result, could make a real difference. We have lowered the costs of investing for our shareholders significantly. And we're proud of the performance of our funds.

Vanguard is built for Vanguard investors—we focus solely on you, our fund shareholders. Everything we do is designed to give our clients the best chance for investment success. In my role as CEO,

I'll keep this priority front and center. We're proud of what we've achieved, but we're even more excited about what's to come.

Steady, time-tested guidance

Our guidance for investors, as always, is to stay the course, tune out the hyperbolic headlines, and focus on your goals and what you can control, such as costs and how much you save. This time-tested advice has served our clients well over the decades.

Regardless of how the markets perform in the short term, I'm incredibly optimistic about the future for our investors. We have a dedicated team serving you, and we will never stop striving to make Vanguard the best place for you to invest through our high-quality funds and services, advice and guidance to help you meet your financial goals, and an experience that makes you feel good about entrusting us with your hard-earned savings.

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.

Mortimer J. Buckley
President and Chief Executive Officer
July 13, 2018

Market Perspective

U.S. stocks continued to climb, even with periods of volatility

U.S. stocks advanced over the six months ended June 30, 2018, although their path forward was marked by significant bouts of volatility. Corporate earnings remained strong and the U.S. economy continued to indicate growth. Investors worried, however, about high stock valuations, the possibility of inflation, and continued tightening of monetary policy by the Federal Reserve.

The Fed's June increase in the federal funds target rate by a quarter percentage point, to 1.75%–2%, was its second in 2018. In announcing it, Fed Chair Jerome Powell offered a positive assessment of the U.S. economy. The Fed has also continued to shrink the \$4.5 trillion balance sheet it had amassed since it began providing monetary stimulus in the wake of the 2007–2009 recession.

For the six months, the broad U.S. stock market returned 3.22%. U.S. large- and mid-capitalization stocks trailed small-caps, while growth stocks exceeded value. Among sectors, information technology, consumer discretionary, and energy posted the strongest returns. Consumer staples, communication services, and industrials fared the worst.

For U.S. investors, a stronger dollar hurt international stocks, which returned –3.83%. Developed European and Pacific markets declined, as did emerging markets.

Bond returns were down as inflation concerns heightened

Bond yields rose and prices fell over the six months as inflation expectations rose, the labor market improved, and the Fed suggested that more rate hikes were in store for 2018. (Bond prices and yields move in opposite directions.)

The yield of the benchmark 10-year Treasury note closed the period at 2.86%, up from 2.41% at the end of December 2017. The broad U.S. bond market returned –1.62% for the period. U.S. Treasuries and mortgage-backed securities generally outpaced investment-grade corporate bonds.

International bonds returned –1.31%, as measured by the Barclays Global Aggregate Index ex USD. U.S. investors were hampered by the dollar's strengthening against many currencies. Without this currency impact, international bonds were up more than 1%.

Market Barometer

	Total Returns Periods Ended June 30, 2018		
	Six Months	One Year	Five Years ¹
Stocks			
Russell 1000 Index (Large-caps)	2.85%	14.54%	13.37%
Russell 2000 Index (Small-caps)	7.66	17.57	12.46
Russell 3000 Index (Broad U.S. market)	3.22	14.78	13.29
FTSE All-World ex US Index (International)	–3.83	7.28	6.35
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	–1.62%	–0.40%	2.27%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	–0.25	1.56	3.53
FTSE Three-Month U.S. Treasury Bill Index	0.78	1.33	0.38
CPI			
Consumer Price Index	2.22%	2.87%	1.54%

¹ Annualized.

Balanced Portfolio

Advisor's Report

The Balanced Portfolio returned –1.19% for the six months ended June 30, 2018. The portfolio underperformed the 0.82% return of its blended benchmark (a mix of 65% large-capitalization stocks and 35% high-quality corporate bonds) and the 0.22% average return of peer funds. The stock portion of the portfolio underperformed its benchmark, the Standard & Poor's 500 Index, while the bond portion slightly 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 positive results during the six-month period. The S&P 500 Index returned 2.65% and the MSCI World Index returned a more muted 0.76%.

U.S. equities rose during the period, driven by exceptionally robust corporate earnings and economic conditions. Companies were largely upbeat about

U.S. growth prospects but cited rising wages, commodity prices, and logistics costs as potential earnings headwinds. Despite the underlying strength in the U.S. economy, there were concerns about the sustainability of growth in light of the broader macroeconomic risks, including rising interest rates; signs of slowing global growth, especially in Europe; ongoing trade tensions; and euro zone political disruptions.

As widely anticipated, the U.S. Federal Reserve twice raised its benchmark interest rate by 25 basis points—to a range between 1.75% and 2%—and it signaled the potential for two additional increases in 2018. (A basis point is one one-hundredth of a percentage point.) The Fed lifted its economic growth forecast for 2018 to 2.8%; it also lowered its expectation for unemployment to 3.6%, from 3.8% in March.

In the United States, large-capitalization growth stocks significantly outperformed large-capitalization value stocks, as measured by the Russell 1000 Growth Index (+7.25%) and the Russell 1000 Value Index (–1.69%); this held back the fund, which tends to have a value bias compared with the broad core benchmark.

The broad fixed income markets posted negative returns for the six-month period, with the Bloomberg Barclays U.S. Aggregate Bond Index returning –1.62%. The higher-quality credit market performed even worse, with the Bloomberg Barclays U.S. Credit A or Better Bond Index returning –2.70%. The yield of the 10-year U.S. Treasury note increased during the period, beginning the year at 2.41% and ending the month of June at 2.86%.

Our successes

In the stock portfolio, security selection was best in consumer staples (Walmart as well as our avoidance of Procter & Gamble and Altria Group), materials (BHP Billiton and avoidance of DowDuPont), industrials (underweight General Electric and avoidance of 3M), and energy (ConocoPhillips, Hess, and Total SA). Our overweight to the energy sector also aided relative results during the period.

The fixed income portfolio's outperformance was primarily driven by successful duration and yield curve positioning during the period. Credit spread duration was also a positive contributor; we were underweight in corporates compared with our all-credit benchmark, as spreads widened over the period. More specifically, long-duration corporate bonds underperformed the overall sector as yields failed to keep pace with the flattening U.S. Treasury curve. Our underweight allocation to long credit duration helped relative returns. Our out-of-benchmark positions in asset-backed securities and agency mortgage-backed securities also helped.

Total Returns

	Six Months Ended June 30, 2018
Balanced Portfolio	-1.19%
Composite Stock/Bond Index ¹	0.82
Variable Insurance Mixed-Asset Target Growth Funds Average ²	0.22

Expense Ratios³

Your Portfolio Compared With Its Peer Group

	Portfolio	Variable Insurance Mixed-Asset Target Growth Funds Average
Balanced Portfolio	0.23%	0.60%

¹ Weighted 65% S&P 500 Index and 35% Bloomberg Barclays U.S. Credit A or Better Bond Index.

² Derived from data provided by Lipper, a Thomson Reuters Company.

³ The portfolio expense ratio shown is from the prospectus dated April 26, 2018, and represents estimated costs for the current fiscal year. For the six months ended June 30, 2018, the Balanced Portfolio's annualized expense ratio was 0.22%. The peer-group expense ratio is derived from data provided by Lipper, a Thomson Reuters Company, and captures information through year-end 2017.

Our shortfalls

In the stock portfolio, security selection and sector allocation detracted from overall relative results. Stock selection was weakest in consumer discretionary (our position in Comcast and not owning Amazon or Netflix), financials (positions in Prudential, Chubb, and Mitsubishi UFJ Financial Group), information technology (an underweight to Apple and not owning MasterCard or Facebook), and health care (Bristol-Myers Squibb and Cardinal Health). In terms of sector allocation, our overweight to financials and our underweights to information technology and consumer discretionary detracted most.

On the fixed income side, our bond selection within investment-grade credit, particularly within utilities and financials, detracted from relative results during the period.

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 reflects an appropriate balance.

In the equity portfolio, our largest overweights at the end of June were in the financial, energy, telecommunication services, utilities, and materials sectors. Our largest underweights were in information technology, consumer discretionary, real estate, and consumer staples—areas of the market in which we are often challenged to find ideas that fit with our investment style and valuation discipline.

Where possible, we are investing in companies that are capitalizing on disruptive technologies and those that have declined because of the perception of competitive challenges where we think the companies can overcome the disruptive forces. As always, sector allocations are determined by our bottom-up analysis and are largely attributable to our view on companies' valuations.

During the six-month period, we added new stock positions in Halliburton, Sysco, TJX Companies, AT&T, Walmart, and Home Depot (among others) to the portfolio. We eliminated our equity positions in Johnson & Johnson, Exxon Mobil, Twenty-First Century Fox, Goldman Sachs Group, and Wells Fargo (among others).

From the fixed income perspective, the remainder of 2018 should be one in which interest rate movements play a larger role in relative returns than credit events do. We expect that the Fed will continue to raise interest rates and that we will continue to maintain a shorter-than-benchmark duration in the U.S. market. Without a material rise in global inflation, yields on longer-maturity bonds are not expected to rise as much, resulting in flatter yield curves. Within credit, where our benchmark is concentrated, we are cautious because of the increase in supply that has been fueled largely by debt-funded corporate acquisitions, which could lower the credit quality of the companies as well as the overall corporate bond sector.

A perceived risk to our outlook is the possibility of higher trade barriers, including uncertainty surrounding the U.S.–China tariff negotiations, which could lead to slower global growth.

Such a scenario would likely reduce the need for central bank intervention and result in lower-than-expected yields.

We continue to be disciplined in our application of our investment process, which allows us to create a balanced portfolio that we believe should perform well in a variety of market environments. We remain focused on companies with growth potential trading at valuation discounts, above-average yield, and favorable supply and demand dynamics. We believe these qualities, as well as our focus on low-turnover, long-term investing, should serve the portfolio's shareholders well over time.

Edward P. Bousa, CFA,
Senior Managing Director and
Equity Portfolio Manager

John C. Keogh,
Senior Managing Director and
Fixed Income Portfolio Manager

Loren L. Moran, CFA,
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Senior Managing Director and
Fixed Income Portfolio Manager

Wellington Management Company LLP

July 19, 2018

Portfolio Profile

As of June 30, 2018

Total Portfolio Characteristics

Yield ¹	2.79%
Turnover Rate ²	41%
Expense Ratio ³	0.23%
Short-Term Reserves	3.0%

Total Portfolio Volatility Measures⁴

	Portfolio Versus Composite Index ⁵	Portfolio Versus Broad Index ⁶
R-Squared	0.95	0.93
Beta	1.00	0.65

Equity Characteristics

	Portfolio	Comparative Index ⁷	Broad Index ⁶
Number of Stocks	103	505	3,779
Median Market Cap	\$91.6B	\$104.8B	\$64.0B
Price/Earnings Ratio	16.2x	21.0x	20.7x
Price/Book Ratio	2.4x	3.2x	3.0x
Dividend Yield	2.6%	1.9%	1.8%
Return on Equity	14.5%	16.1%	15.0%
Earnings Growth Rate	7.3%	7.9%	8.3%
Foreign Holdings	12.4%	0.0%	0.0%

Fixed Income Characteristics

	Portfolio	Comparative Index ⁸	Broad Index ⁹
Number of Bonds	918	3,290	9,559
Yield to Maturity	3.6% ¹⁰	3.6%	3.3%
Average Coupon	3.5%	3.4%	3.1%
Average Effective Maturity	9.3 years	9.7 years	8.3 years
Average Duration	6.4 years	6.7 years	6.0 years

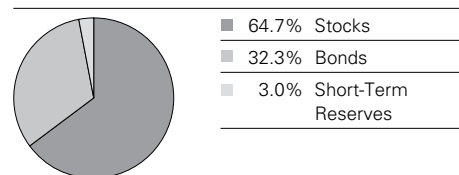
Ten Largest Stocks¹¹ (% of equity portfolio)

Microsoft Corp.	Systems Software	4.1%
JPMorgan Chase & Co.	Diversified Banks	3.4
Verizon Communications Inc.	Integrated Telecommunication Services	3.2
Bank of America Corp.	Diversified Banks	3.2
Alphabet Inc. Class A	Internet Software & Services	2.9
Chevron Corp.	Integrated Oil & Gas	2.8
Intel Corp.	Semiconductors	2.2
Comcast Corp. Class A	Cable & Satellite	2.1
Bristol-Myers Squibb Co.	Pharmaceuticals	2.0
Chubb Ltd.	Property & Casualty Insurance	2.0
Top Ten		27.9%
Top Ten as % of Total Net Assets		18.2%

Sector Diversification (% of equity exposure)

	Portfolio	Comparative Index ⁷	Broad Index ⁶
Consumer Discretionary	6.3%	12.9%	13.2%
Consumer Staples	6.3	6.9	6.2
Energy	9.5	6.3	6.1
Financials	22.7	13.8	14.3
Health Care	14.3	14.1	13.7
Industrials	9.9	9.6	10.2
Information Technology	17.0	26.0	24.7
Materials	3.7	2.6	3.1
Real Estate	2.2	2.9	3.8
Telecommunication Services	3.6	2.0	1.8
Utilities	4.5	2.9	2.9

Portfolio Asset Allocation



¹ 30-day SEC yield for the portfolio. See definition on the next page.

² Annualized.

³ The expense ratio shown is from the prospectus dated April 26, 2018, and represents estimated costs for the current fiscal year. For the six months ended June 30, 2018, the Balanced Portfolio's annualized expense ratio was 0.22%.

⁴ For an explanation of R-squared, beta, and other terms used here, see definitions on the next page.

⁵ Composite Stock/Bond Index, weighted 65% S&P 500 Index and 35% Bloomberg Barclays U.S. Credit A or Better Bond Index.

⁶ Dow Jones U.S. Total Stock Market Float Adjusted Index.

⁷ S&P 500 Index.

⁸ Bloomberg Barclays U.S. Credit A or Better Bond Index.

⁹ Bloomberg Barclays U.S. Aggregate Bond Index.

¹⁰ Before expenses.

¹¹ The holdings listed exclude any temporary cash investments and equity index products.

Distribution by Credit Quality¹
(% of fixed income portfolio)

U.S. Government	18.7%
Aaa	5.7
Aa	13.6
A	43.8
Baa	17.3
Cash	0.9

Sector Diversification²
(% of fixed income portfolio)

Asset-Backed	5.0%
Finance	26.4
Foreign	5.4
Government Mortgage-Backed	2.0
Industrial	32.1
Treasury	16.3
Utilities	7.6
Other	5.2

Equity Investment Focus

Style		Value	Blend	Growth
Market Cap	Large			
	Medium			
	Small			

Fixed Income Investment Focus

Average Maturity		Short	Med.	Long
Credit Quality	Treasury/ Agency			
	Investment-Grade Corporate			
	Below Investment-Grade			

30-Day SEC Yield. A portfolio’s 30-day SEC yield is derived using a formula specified by the U.S. Securities and Exchange Commission. Under the formula, data related to the portfolio’s security holdings in the previous 30 days are used to calculate the portfolio’s hypothetical net income for that period, which is then annualized and divided by the portfolio’s estimated average net assets over the calculation period. For the purposes of this calculation, a security’s income is based on its current market yield to maturity (for bonds), its actual income (for asset-backed securities), or its projected dividend yield (for stocks). Because the SEC yield represents hypothetical annualized income, it will differ—at times significantly—from the portfolio’s actual experience. As a result, the portfolio’s income distributions may be higher or lower than implied by the SEC yield.

Beta. A measure of the magnitude of a portfolio’s past share-price fluctuations in relation to the ups and downs of a given market index. The index is assigned a beta of 1.00. Compared with a given index, a portfolio with a beta of 1.20 typically would have seen its share price rise or fall by 12% when the index rose or fell by 10%. For this report, beta is based on returns over the past 36 months for both the portfolio and the index.

Credit Quality. Credit-quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). U.S. Treasury, U.S. Agency, and U.S. Agency mortgage-backed securities appear under “U.S. Government.” Credit-quality ratings are obtained from Barclays and are from Moody’s, Fitch, and S&P. When ratings from all three agencies are used, the median rating is shown. When ratings from two of the agencies are used, the lower rating for each issue is shown. “Not Rated” is used to classify securities for which a rating is not available. Not rated securities include a fund’s investment in Vanguard Market Liquidity Fund or Vanguard Municipal Cash Management Fund, each of which invests in high-quality money market instruments and may serve as a cash management vehicle for the Vanguard funds, trusts, and accounts.

Equity Exposure. A measure that reflects a portfolio’s investments in stocks and stock futures. Any holdings in short-term reserves are excluded.

R-Squared. A measure of how much of a portfolio’s past returns can be explained by the returns from the market in general, as measured by a given index. If a portfolio’s total returns were precisely synchronized with an index’s returns, its R-squared would be 1.00. If the portfolio’s returns bore no relationship to the index’s returns, its R-squared would be 0. For this report, R-squared is based on returns over the past 36 months for both the portfolio and the index.

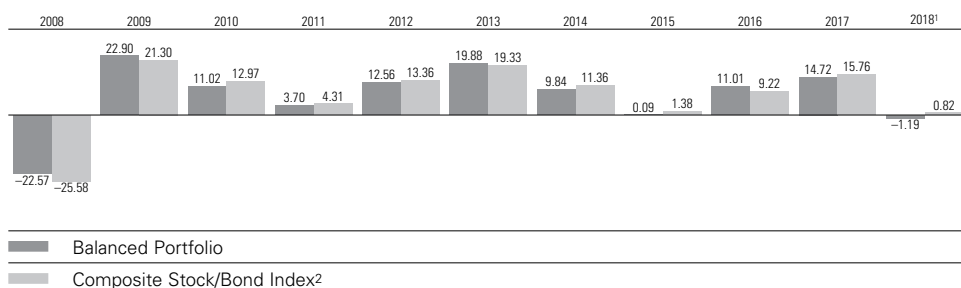
¹ Source: Moody’s Investor Service.

² The agency and mortgage-backed securities sectors may include issues from government-sponsored enterprises; such issues are not backed by the full faith and credit of the U.S. government.

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.

Fiscal-Year Total Returns (%): December 31, 2007–June 30, 2018



Average Annual Total Returns: Periods Ended June 30, 2018

	Inception Date	One Year	Five Years	Ten Years
Balanced Portfolio	5/23/1991	6.77%	8.80%	8.03%

1 Six months ended June 30, 2018.

2 Weighted 65% S&P 500 Index and 35% Bloomberg Barclays U.S. Credit A or Better Bond Index.

See Financial Highlights for dividends and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets

As of June 30, 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. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (65.0%)								
Consumer Discretionary (4.1%)						Information Technology (11.0%)		
Comcast Corp. Class A	1,206,120	39,573	Marsh & McLennan Cos. Inc.	162,736	13,340	Microsoft Corp.	772,290	76,156
TJX Cos. Inc.	170,512	16,229	MetLife Inc.	286,332	12,484	* Alphabet Inc. Class A	46,635	52,660
Lowe's Cos. Inc.	153,894	14,708	BNP Paribas SA	152,962	9,462	Intel Corp.	804,087	39,971
Hilton Worldwide Holdings Inc.	184,159	14,578	Tokio Marine Holdings Inc.	186,770	8,738	Cisco Systems Inc.	593,350	25,532
CBS Corp. Class B	191,824	10,784	Hartford Financial Services Group Inc.	157,609	8,059	Apple Inc.	133,975	24,800
Home Depot Inc.	51,367	10,022	UBS Group AG	468,600	7,188	* eBay Inc.	472,177	17,121
Ford Motor Co.	458,734	5,078	ING Groep NV	463,586	6,655	HP Inc.	726,361	16,481
Volkswagen AG Preference Shares	28,364	4,686	Zurich Insurance Group AG	16,647	4,923	Texas Instruments Inc.	143,857	15,860
			* BrightHouse Financial Inc.	24,001	962	Accenture plc Class A	92,825	15,185
						QUALCOMM Inc.	233,346	13,095
						International Business Machines Corp.	77,886	10,881
		115,658			418,622	Samsung Electronics Co. Ltd. GDR	5,313	5,511
Consumer Staples (4.1%)			Health Care (9.3%)					
PepsiCo Inc.	231,223	25,173	Bristol-Myers Squibb Co.	663,855	36,738	Materials (2.4%)		
Unilever NV	373,827	20,828	AstraZeneca plc ADR	941,821	33,067	International Paper Co.	349,397	18,196
Sysco Corp.	231,948	15,840	Medtronic plc	320,854	27,468	BHP Billiton plc	787,381	17,671
Costco Wholesale Corp.	66,407	13,878	Pfizer Inc.	719,883	26,117	Linde AG- Tender Line	60,198	14,302
Philip Morris International Inc.	166,838	13,470	UnitedHealth Group Inc.	105,928	25,989	Praxair Inc.	38,557	6,098
Diageo plc	364,862	13,108	Merck & Co. Inc.	417,691	25,354	PPG Industries Inc.	54,896	5,694
Walmart Inc.	139,309	11,932	CVS Health Corp.	290,316	18,682	LyondellBasell Industries NV Class A	43,767	4,808
Nestle SA	35,313	2,737	Eli Lilly & Co.	213,089	18,183	Linde AG	6,852	1,427
		116,966	Novartis AG	232,039	17,577			68,196
Energy (6.2%)			Abbott Laboratories	236,732	14,438	Real Estate (1.4%)		
Chevron Corp.	411,316	52,003	Cardinal Health Inc.	207,399	10,127	American Tower Corp.	147,044	21,199
TOTAL SA	438,660	26,638	Koninklijke Philips NV	88,307	3,742	Simon Property Group Inc.	112,541	19,154
ConocoPhillips	347,983	24,226	* Regeneron Pharmaceuticals Inc.	9,417	3,249			40,353
Suncor Energy Inc.	547,718	22,289	HCA Healthcare Inc.	24,006	2,463	Telecommunication Services (2.3%)		
Halliburton Co.	349,662	15,756				Verizon Communications Inc.	1,175,425	59,135
BP plc	2,016,242	15,341	Industrials (6.5%)			AT&T Inc.	196,689	6,316
Hess Corp.	179,625	12,015	United Parcel Service Inc. Class B	215,810	22,926			65,451
Canadian Natural Resources Ltd.	206,756	7,458	Union Pacific Corp.	126,128	17,870	Utilities (2.9%)		
		175,726	BAE Systems plc	1,661,430	14,134	NextEra Energy Inc.	194,840	32,544
Financials (14.8%)			United Technologies Corp.	105,649	13,209	Dominion Energy Inc.	343,970	23,452
JPMorgan Chase & Co.	593,977	61,892	Caterpillar Inc.	97,168	13,183	Exelon Corp.	431,542	18,384
Bank of America Corp.	2,084,527	58,763	Schneider Electric SE	153,777	12,789	Iberdrola SA	1,032,990	7,966
Chubb Ltd.	284,382	36,122	Honeywell International Inc.	86,937	12,523			82,346
Prudential Financial Inc.	366,029	34,227	Lockheed Martin Corp.	41,329	12,210	Total Common Stocks (Cost \$1,410,141)		
PNC Financial Services Group Inc.	235,833	31,861	Johnson Controls International plc	334,467	11,188	1,842,792		
Northern Trust Corp.	208,329	21,435	Canadian Pacific Railway Ltd.	60,476	11,068			
Intercontinental Exchange Inc.	277,877	20,438	Assa Abloy AB Class B	384,576	8,158			
American International Group Inc.	356,408	18,897	Eaton Corp. plc	99,660	7,449			
Citigroup Inc.	264,858	17,724	Vinci SA	75,954	7,291			
BlackRock Inc.	34,513	17,223	ABB Ltd. ADR	304,284	6,624			
Mitsubishi UFJ Financial Group Inc.	2,598,130	14,718	Safran SA	49,808	6,032			
Bank of Nova Scotia	236,127	13,511	Canadian National Railway Co. (New York Shares)	60,849	4,974			
			Canadian National Railway Co. (Toronto Shares)	17,100	1,399			
					183,027			

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
U.S. Government and Agency Obligations (6.1%)									
U.S. Government Securities (5.3%)									
United States Treasury Note/Bond	1.875%	12/31/19	1,900	1,883					
United States Treasury Note/Bond	1.375%	2/15/20	1,300	1,277					
United States Treasury Note/Bond	1.375%	2/29/20	2,130	2,091					
United States Treasury Note/Bond	2.250%	2/29/20	37,000	36,844					
United States Treasury Note/Bond	2.250%	3/31/20	6,000	5,973					
United States Treasury Note/Bond	1.625%	6/30/20	2,840	2,790					
United States Treasury Note/Bond	1.500%	8/15/20	4,250	4,158					
United States Treasury Note/Bond	1.250%	3/31/21	3,000	2,892					
United States Treasury Note/Bond	1.375%	5/31/21	3,500	3,377					
United States Treasury Note/Bond	2.125%	12/31/22	7,700	7,505					
United States Treasury Note/Bond	2.500%	3/31/23	20,115	19,911					
United States Treasury Note/Bond	2.000%	2/15/25	950	903					
United States Treasury Note/Bond	2.000%	8/15/25	1,645	1,558					
United States Treasury Note/Bond	2.250%	11/15/27	12,365	11,747					
United States Treasury Note/Bond	2.750%	2/15/28	11,360	11,255					
United States Treasury Note/Bond	2.875%	5/15/43	6,738	6,609					
United States Treasury Note/Bond	3.375%	5/15/44	4,410	4,719					
United States Treasury Note/Bond	3.125%	8/15/44	1,740	1,783					
United States Treasury Note/Bond	2.500%	2/15/45	2,610	2,376					
United States Treasury Note/Bond	2.875%	8/15/45	1,910	1,869					
United States Treasury Note/Bond	2.500%	5/15/46	595	540					
United States Treasury Note/Bond	2.250%	8/15/46	3,068	2,638					
United States Treasury Note/Bond	2.875%	11/15/46	930	910					
United States Treasury Note/Bond	3.000%	2/15/47	4,890	4,901					
United States Treasury Note/Bond	3.000%	5/15/47	340	341					
United States Treasury Note/Bond	2.750%	8/15/47	4,130	3,936					
United States Treasury Note/Bond	3.000%	2/15/48	180	180					
United States Treasury Note/Bond	3.125%	5/15/48	10	10					
United States Treasury Strip Principal	0.000%	5/15/47	4,910	2,077					
United States Treasury Strip Principal	0.000%	8/15/47	6,835	2,867					
				149,920					
Conventional Mortgage-Backed Securities (0.7%)									
1,2,3 Fannie Mae Pool	3.500%	12/1/47–7/1/48	18,600	18,516					
1,2 Freddie Mac Gold Pool	4.000%	9/1/41	6	6					
1 Ginnie Mae I Pool	7.000%	11/15/31–11/15/33	88	99					
1 Ginnie Mae I Pool	8.000%	9/15/30	50	52					
				18,673					
Nonconventional Mortgage-Backed Securities (0.1%)									
1,2 Fannie Mae REMICS	3.500%	4/25/31	245	247					
1,2 Fannie Mae REMICS	4.000%	9/25/29–5/25/31	470	482					
1,2 Freddie Mac REMICS	3.500%	3/15/31	145	147					
1,2 Freddie Mac REMICS	4.000%	12/15/30–4/15/31	2,654	2,740					
				3,616					
Total U.S. Government and Agency Obligations (Cost \$173,504)									
				172,209					
Asset-Backed/Commercial Mortgage-Backed Securities (1.5%)									
1 Ally Auto Receivables Trust 2018-1	1.750%	2/15/19	358	358					
1,4 American Express Credit Account Master Trust	2.950%	3/15/23	1,400	1,392					
4 American Tower Trust I	3.070%	3/15/23	1,100	1,080					
1 Americredit Automobile Receivables Trust 2018-1	2.450%	5/20/19	1,051	1,051					
1,4,5 Apidos CLO XVII	3.663%	4/17/26	1,295	1,296					
1,4,5 Ares XXIX CLO Ltd.	3.543%	4/17/26	1,195	1,195					
1,4,5 Atlas Senior Loan Fund X Ltd.	3.438%	1/15/31	250	249					
1,4,5 Avery Point IV CLO Ltd.	3.460%	4/25/26	1,190	1,190					
4 Bank of Montreal	2.500%	1/11/22	1,700	1,661					
1,4,5 BlueMountain CLO 2014-1 Ltd.	3.619%	4/30/26	669	669					
1 BMW Vehicle Owner Trust	1.650%	1/25/19	57	57					
1,4 Capital Auto Receivables Asset Trust 2018-1	2.100%	3/20/19	349	349					
1,4,6 CARDS II Trust	2.443%	4/18/22	495	495					
1,4,6 CARDS II Trust 2016-1A	2.773%	7/15/21	365	365					
1 CarMax Auto Owner Trust	1.700%	2/15/19	326	326					
1 CarMax Auto Owner Trust	2.300%	5/15/19	425	425					
1,4,5 Cent CLO 20 Ltd.	3.460%	1/25/26	1,248	1,248					
1,4,5 Cent CLO 21 Ltd.	3.576%	7/27/26	415	415					
1,4,5 Cent CLO 22 Ltd.	3.773%	11/7/26	930	929					
1,4 Chesapeake Funding II LLC 2018-1	3.040%	4/15/30	1,240	1,235					
1,4 Chesapeake Funding II LLC 2018-2A	1.990%	5/15/29	236	234					
1 CNH Equipment Trust 2018-A	2.450%	6/14/19	1,096	1,096					
1 COMM 2012-CCRE2 Mortgage Trust	3.147%	8/15/45	480	477					
1,4 Daimler Trucks Retail Trust 2018-1	2.200%	4/15/19	294	294					
4 DNB Boligkreditt AS	2.500%	3/28/22	1,315	1,282					
1,4 Enterprise Fleet Financing LLC	2.150%	3/20/19	543	543					
1,4 Enterprise Fleet Financing LLC Series 2017-1	2.130%	7/20/22	157	156					
1,4 Enterprise Fleet Financing LLC Series 2018-1	2.870%	10/20/23	840	837					
1 Ford Credit Auto Lease Trust 2018-A	2.300%	5/15/19	572	572					
1 Ford Credit Auto Owner Trust	2.356%	5/15/19	487	487					
1,4 GM Financial Consumer Automobile 2017-1	1.510%	3/16/20	261	260					
1 GM Financial Consumer Automobile Receivables Trust	2.300%	4/16/19	214	214					
1 Honda Auto Receivables 2018-1 Owner Trust	1.900%	3/15/19	368	368					
1,4 Hyundai Auto Lease Securitization Trust 2018-A	1.950%	3/15/19	150	150					
1,4 Hyundai Auto Lease Securitization Trust 2018-A	2.550%	8/17/20	575	574					
1 John Deere Owner Trust 2018	1.950%	3/15/19	522	522					
1,7 LB-UBS Commercial Mortgage Trust 2008-C1	6.319%	4/15/41	1	1					
1,4,5 Limerock CLO II Ltd.	3.655%	4/18/26	1,119	1,119					
1,4,5 Madison Park Funding XII Ltd.	3.619%	7/20/26	920	920					
1,4,5 Madison Park Funding XIII Ltd.	3.305%	4/19/30	930	929					
1,4,6 Master Credit Card Trust II Series 2018-1A	2.578%	7/22/24	1,000	1,003					
1,4,6 Mercedes-Benz Master Owner Trust 2016-B	2.773%	5/17/21	370	372					
1,4 MMAF Equipment Finance LLC 2017-A	1.730%	5/18/20	137	136					
1,4 MMAF Equipment Finance LLC 2018-A	2.400%	6/10/19	764	763					
1 Nissan Auto Receivables 2018-A Owner Trust	1.900%	3/15/19	127	127					
1,4 OneMain Direct Auto Receivables Trust 2017-2	2.310%	12/14/21	755	749					
1,4 OneMain Financial Issuance Trust 2016-2	4.100%	3/20/28	523	526					
1,4 OneMain Financial Issuance Trust 2017-1	2.370%	9/14/32	273	268					
1 Santander Drive Auto Receivables Trust 2014-2	2.330%	11/15/19	1	1					
1 Santander Drive Auto Receivables Trust 2018-1	1.830%	2/15/19	47	47					
1 Santander Drive Auto Receivables Trust 2018-2	2.350%	4/15/19	581	581					
1,4 Santander Retail Auto Lease Trust 2018-A	2.200%	3/20/19	179	179					
1,4 Securitized Term Auto Receivables Trust 2018-1	2.400%	4/25/19	684	683					
1,4,5 Seneca Park CLO Ltd. 2014-1	3.473%	7/17/26	680	680					
1,4,7 SFAVE Commercial Mortgage Securities Trust 2015-5AVE	4.144%	1/5/43	700	671					
1,4,5 Shackleton 2014-VI CLO	3.513%	7/17/26	660	660					
1,4 Sofi Consumer Loan Program 2018-2 Trust	2.930%	4/26/27	684	684					
1,4 Springleaf Funding Trust	3.160%	11/15/24	865	864					

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
1,4	3.480%	5/15/28	590	590					
1,4,5	3.628%	7/14/26	1,125	1,123					
1,4,5	3.519%	10/20/26	505	505					
4	2.500%	1/18/22	2,100	2,051					
1									
	3.435%	12/15/25	210	212					
1,4	4.072%	2/16/43	488	490					
1,4,5	3.345%	4/18/31	515	514					
1,4	1.750%	2/15/19	25	25					
1,4	2.500%	5/15/19	466	466					
Total Asset-Backed/Commercial Mortgage-Backed Securities				41,990					
(Cost \$42,196)									
Corporate Bonds (21.4%)									
Finance (8.5%)									
Banking (7.1%)									
4	2.450%	6/4/20	623	613					
	2.125%	7/27/18	1,235	1,235					
	2.250%	8/15/19	800	795					
	2.700%	3/3/22	1,505	1,471					
	3.125%	2/23/23	800	757					
	3.848%	4/12/23	600	586					
	3.300%	1/11/23	120	118					
1	2.816%	7/21/23	1,645	1,589					
	3.004%	12/20/23	3,408	3,301					
	4.000%	1/22/25	875	863					
1	3.593%	7/21/28	1,025	973					
	3.419%	12/20/28	512	482					
	5.875%	2/7/42	260	304					
	5.000%	1/21/44	1,000	1,049					
	3.100%	4/13/21	1,290	1,285					
	2.150%	2/24/20	1,580	1,559					
	2.200%	8/16/23	460	431					
5	3.409%	10/30/23	1,145	1,162					
	3.000%	2/24/25	720	692					
	2.050%	10/30/18	1,600	1,598					
	2.800%	7/21/21	750	739					
4									
	2.750%	10/15/20	1,200	1,185					
	5.140%	10/14/20	160	165					
	3.684%	1/10/23	700	680					
5	3.710%	5/16/24	1,005	995					
	3.200%	9/3/21	665	663					
	2.750%	4/1/22	1,700	1,661					
	3.700%	6/5/25	1,385	1,379					
	2.400%	12/12/18	1,300	1,299					
4	2.950%	5/23/22	620	599					
	3.250%	3/3/23	305	301					
4	3.800%	1/10/24	1,170	1,142					
4	3.375%	1/9/25	1,775	1,677					
4	3.500%	11/16/27	2,250	2,108					
	2.500%	12/10/18	220	220					
	2.500%	7/15/19	1,400	1,393					
4	3.000%	5/22/22	255	246					
4	5.700%	10/22/23	270	282					
	4.000%	4/15/24	775	775					
4	5.150%	7/21/24	1,260	1,278					
4	3.500%	10/23/27	1,780	1,622					
	2.625%	1/15/22	1,250	1,220					
5	3.055%	6/16/22	1,565	1,575					
	2.150%	11/21/18	1,215	1,213					
	2.500%	5/12/20	500	492					
	4.750%	7/15/21	400	413					
	3.750%	4/24/24	1,305	1,277					
	3.200%	2/5/25	1,050	985					
	4.200%	10/29/25	310	300					
	3.050%	5/1/20	1,850	1,846					
	2.500%	9/26/18	500	500					
	2.550%	4/8/19	1,800	1,796					
	2.500%	7/29/19	965	961					
	2.400%	2/18/20	800	790					
	4.500%	1/14/22	1,975	2,028					
1	3.520%	10/27/28	1,975	1,854					
	6.625%	6/15/32	2,000	2,342					
1	3.878%	1/24/39	1,025	934					
	8.125%	7/15/39	101	142					
	4.750%	5/18/46	420	396					
	2.300%	3/12/20	655	647					
	2.750%	9/29/19	375	373					
	2.250%	1/14/19	1,350	1,347					
4	2.500%	4/15/19	1,460	1,456					
4	3.750%	4/24/23	1,160	1,136					
4	3.250%	10/4/24	840	789					
	2.300%	5/28/19	2,845	2,830					
	3.000%	10/29/21	735	724					
	3.625%	9/9/24	250	246					
4	3.574%	1/9/23	550	539					
4,5	3.566%	6/12/24	690	689					
1,4	4.207%	6/12/24	340	340					
1,4	3.869%	1/12/29	305	286					
	3.800%	9/15/22	1,335	1,328					
	3.750%	3/26/25	1,595	1,528					
4	2.000%	9/8/21	1,120	1,069					
4	3.875%	9/12/23	1,020	1,011					
	2.500%	2/13/19	270	269					
	2.700%	7/13/20	660	644					
	3.150%	1/22/21	1,425	1,379					
	4.250%	10/14/21	1,215	1,196					
	2.875%	10/1/21	425	419					
	3.850%	3/15/26	830	816					
	5.375%	3/15/20	405	419					
	2.600%	4/23/20	170	168					
	5.250%	7/27/21	865	908					
	5.750%	1/24/22	360	385					
1	2.876%	10/31/22	1,795	1,752					
	3.625%	1/22/23	1,980	1,967					
1	3.272%	9/29/25	1,205	1,144					
	3.500%	11/16/26	2,000	1,874					
	3.850%	1/26/27	740	710					
1	3.691%	6/5/28	810	768					
1	3.814%	4/23/29	1,265	1,199					
1	4.223%	5/1/29	2,630	2,590					
	6.750%	10/1/37	835	990					
	4.750%	10/21/45	680	670					
4	4.750%	1/19/21	1,700	1,755					
	3.400%	3/8/21	1,535	1,534					
	4.000%	3/30/22	2,395	2,427					
	3.600%	5/25/23	1,600	1,585					
5	3.326%	5/18/24	730	728					
1	4.041%	3/13/28	890	862					
1	4.583%	6/19/29	1,675	1,692					
	6.500%	5/2/36	1,000	1,156					
	6.100%	1/14/42	375	452					
	5.250%	3/14/44	440	444					
	2.350%	3/5/20	2,775	2,740					
	3.500%	6/23/24	620	610					
	3.150%	3/14/21	800	795					
	2.200%	4/1/19	560	558					
	2.400%	4/1/20	1,160	1,143					
	3.150%	3/29/22	365	358					
	3.950%	3/29/27	820	802					
	6.300%	4/23/19	465	478					
	4.950%	3/25/20	650	668					

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
JPMorgan Chase & Co.	4.350%	8/15/21	4,862	5,000	Wells Fargo & Co.	4.750%	12/7/46	620	593
JPMorgan Chase & Co.	4.500%	1/24/22	495	512	Westpac Banking Corp.	2.300%	5/26/20	630	621
JPMorgan Chase & Co.	3.250%	9/23/22	970	959					
JPMorgan Chase & Co.	3.375%	5/1/23	875	855	Brokerage (0.0%)				
JPMorgan Chase & Co.	3.875%	2/1/24	800	805	Ameriprise Financial Inc.	5.300%	3/15/20	305	315
JPMorgan Chase & Co.	3.900%	7/15/25	2,270	2,264	Charles Schwab Corp.	3.200%	3/2/27	545	519
JPMorgan Chase & Co.	4.125%	12/15/26	765	754					
JPMorgan Chase & Co.	4.250%	10/1/27	2,295	2,266	Finance Companies (0.2%)				
JPMorgan Chase & Co.	5.400%	1/6/42	750	828	GE Capital International Funding Co. Unlimited Co.	4.418%	11/15/35	4,955	4,801
¹ JPMorgan Chase & Co.	3.964%	11/15/48	5,550	4,957					
⁴ Macquarie Bank Ltd.	2.400%	1/21/20	330	326	Insurance (1.1%)				
^{1.4} Macquarie Group Ltd.	4.150%	3/27/24	1,375	1,368	Aetna Inc.	2.800%	6/15/23	680	645
Manufacturers & Traders Trust Co.	2.100%	2/6/20	495	487	Anthem Inc.	2.300%	7/15/18	375	375
Manufacturers & Traders Trust Co.	2.900%	2/6/25	685	657	Anthem Inc.	3.125%	5/15/22	1,610	1,584
Morgan Stanley	2.500%	1/24/19	2,500	2,496	Anthem Inc.	3.300%	1/15/23	1,100	1,073
Morgan Stanley	5.625%	9/23/19	645	665	Anthem Inc.	4.101%	3/1/28	1,140	1,119
Morgan Stanley	5.750%	1/25/21	1,740	1,840	Anthem Inc.	4.650%	8/15/44	426	417
Morgan Stanley	2.500%	4/21/21	1,175	1,147	Anthem Inc.	4.375%	12/1/47	270	250
Morgan Stanley	2.625%	11/17/21	800	778	Berkshire Hathaway Inc.	2.750%	3/15/23	1,050	1,025
Morgan Stanley	2.750%	5/19/22	1,710	1,656	Berkshire Hathaway Inc.	3.125%	3/15/26	715	687
Morgan Stanley	3.700%	10/23/24	750	741	Chubb INA Holdings Inc.	2.300%	11/3/20	170	167
Morgan Stanley	3.125%	7/27/26	1,345	1,245	Chubb INA Holdings Inc.	3.350%	5/15/24	555	546
Morgan Stanley	6.250%	8/9/26	3,000	3,388	Chubb INA Holdings Inc.	4.350%	11/3/45	800	816
Morgan Stanley	3.625%	1/20/27	1,250	1,203	Cigna Corp.	3.250%	4/15/25	880	824
¹ Morgan Stanley	3.772%	1/24/29	1,560	1,499	CNA Financial Corp.	3.950%	5/15/24	135	134
Morgan Stanley	4.300%	1/27/45	850	801	⁴ Five Corners Funding Trust	4.419%	11/15/23	210	216
National City Corp.	6.875%	5/15/19	1,000	1,034	⁴ Liberty Mutual Group Inc.	4.250%	6/15/23	360	364
⁴ NBK SPC Ltd.	2.750%	5/30/22	1,530	1,457	Loews Corp.	2.625%	5/15/23	440	421
Northern Trust Corp.	3.450%	11/4/20	255	258	^{1.4} Massachusetts Mutual Life Insurance Co.	7.625%	11/15/23	2,000	2,329
PNC Bank NA	3.300%	10/30/24	460	451	MetLife Inc.	3.600%	4/10/24	580	574
PNC Bank NA	2.950%	2/23/25	1,105	1,059	MetLife Inc.	4.125%	8/13/42	145	136
PNC Bank NA	4.200%	11/1/25	255	259	MetLife Inc.	4.875%	11/13/43	530	553
PNC Bank NA	3.100%	10/25/27	1,165	1,103	⁴ Metropolitan Life Global Funding I	2.650%	4/8/22	340	327
PNC Bank NA	3.250%	1/22/28	1,675	1,596	⁴ Metropolitan Life Global Funding I	3.450%	12/18/26	640	618
PNC Financial Services Group Inc.	3.900%	4/29/24	580	581	⁴ Metropolitan Life Global Funding I	3.000%	9/19/27	1,165	1,089
Royal Bank of Canada	2.750%	2/1/22	1,195	1,172	⁴ New York Life Global Funding	2.900%	1/17/24	810	783
Santander Holdings USA Inc.	2.700%	5/24/19	433	431	⁴ New York Life Insurance Co.	5.875%	5/15/33	2,100	2,522
Santander Holdings USA Inc.	2.650%	4/17/20	580	576	⁴ Northwestern Mutual Life Insurance Co.	3.850%	9/30/47	656	603
Santander Holdings USA Inc.	3.700%	3/28/22	915	899	⁴ Teachers Insurance & Annuity Assn. of America	4.900%	9/15/44	875	919
Santander Holdings USA Inc.	3.400%	1/18/23	605	582	⁴ Teachers Insurance & Annuity Association of America	4.270%	5/15/47	1,145	1,092
⁴ Skandinaviska Enskilda Banken AB	2.450%	5/27/20	1,600	1,576	UnitedHealth Group Inc.	3.875%	10/15/20	601	611
⁴ Societe Generale SA	3.250%	1/12/22	1,515	1,478	UnitedHealth Group Inc.	2.875%	3/15/22	27	27
¹ State Street Corp.	2.653%	5/15/23	840	816	UnitedHealth Group Inc.	2.875%	3/15/23	1,175	1,145
SunTrust Bank	3.300%	5/15/26	340	321	UnitedHealth Group Inc.	3.100%	3/15/26	430	410
Svenska Handelsbanken AB	1.875%	9/7/21	1,050	992	UnitedHealth Group Inc.	3.850%	6/15/28	1,190	1,191
Synchrony Bank	3.650%	5/24/21	1,290	1,288	UnitedHealth Group Inc.	4.625%	7/15/35	600	631
Synchrony Financial	3.000%	8/15/19	1,055	1,053	UnitedHealth Group Inc.	4.250%	3/15/43	1,600	1,585
Synchrony Financial	2.700%	2/3/20	1,605	1,587	UnitedHealth Group Inc.	4.750%	7/15/45	760	812
Toronto-Dominion Bank	2.500%	12/14/20	985	969	UnitedHealth Group Inc.	4.200%	1/15/47	215	211
⁴ UBS AG	2.200%	6/8/20	750	736	UnitedHealth Group Inc.	4.250%	6/15/48	1,330	1,330
⁴ UBS AG	4.500%	6/26/48	880	890					
⁴ UBS Group Funding Jersey Ltd.	2.950%	9/24/20	1,160	1,148	Other Finance (0.0%)				
⁴ UBS Group Funding Jersey Ltd.	2.650%	2/1/22	1,250	1,203	⁴ LeasePlan Corp. NV	2.875%	1/22/19	970	969
US Bancorp	2.625%	1/24/22	1,305	1,277					
US Bancorp	3.700%	1/30/24	1,560	1,574	Real Estate Investment Trusts (0.1%)				
Wachovia Corp.	7.500%	4/15/35	1,000	1,261	AvalonBay Communities Inc.	3.625%	10/1/20	520	525
Wells Fargo & Co.	2.150%	1/15/19	2,915	2,906	Boston Properties LP	3.125%	9/1/23	355	346
Wells Fargo & Co.	3.000%	1/22/21	505	501	Boston Properties LP	3.800%	2/1/24	45	45
Wells Fargo & Co.	3.500%	3/8/22	640	638	Realty Income Corp.	4.650%	8/1/23	640	662
Wells Fargo & Co.	3.069%	1/24/23	195	189	Simon Property Group LP	3.750%	2/1/24	90	90
Wells Fargo & Co.	3.450%	2/13/23	735	719	Simon Property Group LP	3.375%	10/1/24	275	268
Wells Fargo & Co.	4.480%	1/16/24	1,199	1,224	⁴ WEA Finance LLC / Westfield UK & Europe Finance plc	2.700%	9/17/19	1,330	1,321
Wells Fargo & Co.	3.000%	2/19/25	890	839					
Wells Fargo & Co.	3.550%	9/29/25	860	833					
Wells Fargo & Co.	3.000%	4/22/26	1,045	960					
Wells Fargo & Co.	4.100%	6/3/26	340	333					
Wells Fargo & Co.	3.000%	10/23/26	170	157					
Wells Fargo & Co.	5.606%	1/15/44	2,276	2,420					
Wells Fargo & Co.	4.900%	11/17/45	515	510					

242,317

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Industrial (10.4%)										
Basic Industry (0.1%)										
	4.350%	8/15/48	1,255	1,131						
	Capital Goods (0.7%)									
4	2.850%	12/15/20	160	158	4	1.974%	4/15/19	2,530	2,511	
4	3.850%	12/15/25	1,085	1,066		4.375%	4/1/21	600	614	
	5.875%	2/15/40	175	220						
	2.625%	3/1/23	1,360	1,315		2.875%	1/15/23	240	229	
	3.900%	5/27/21	1,170	1,196		4.450%	1/15/43	309	292	
	2.600%	6/26/22	705	688						
	3.400%	5/15/24	810	807		4.125%	9/14/21	1,740	1,779	
	2.875%	5/11/20	1,505	1,504		9.000%	3/1/31	530	727	
	3.875%	7/15/21	355	363	4	3.750%	4/16/23	385	383	
	2.700%	10/9/22	210	202	4	2.625%	9/16/19	975	968	
	3.100%	1/9/23	360	352	4	3.750%	9/16/24	1,435	1,427	
	4.250%	3/1/21	1,002	1,032	1.4					
	3.500%	3/1/24	1,295	1,307						
	2.250%	4/17/19	1,465	1,461		4.738%	3/20/25	1,300	1,290	
	1.700%	1/15/20	520	511		8.750%	2/14/19	25	26	
	3.450%	3/13/25	1,200	1,194		8.250%	4/1/19	364	377	
	2.900%	3/1/25	610	581		8.375%	3/15/23	95	111	
	4.500%	5/15/36	211	218		4.875%	3/15/20	700	718	
	4.700%	5/15/46	376	395		4.750%	3/29/21	350	361	
	4.090%	9/15/52	144	135		3.600%	7/15/25	625	594	
	4.450%	11/21/44	450	469		3.500%	11/1/21	1,040	1,044	
4	2.900%	5/27/22	1,050	1,032		4.812%	3/15/39	2,406	2,330	
4	3.125%	3/16/24	1,680	1,641		4.750%	11/1/41	290	275	
4	4.400%	5/27/45	800	834		4.862%	8/21/46	1,151	1,081	
	3.100%	6/1/22	535	526		5.012%	4/15/49	1,133	1,105	
	6.050%	6/1/36	675	778		3.750%	1/16/24	1,215	1,204	
	4.500%	6/1/42	787	771		5.000%	5/30/38	50	49	
	3.750%	11/1/46	163	142		5.250%	5/30/48	785	780	
	Communication (1.4%)									
	3.000%	9/15/22	245	240		4.125%	6/1/44	560	541	
	3.125%	7/16/22	1,880	1,846		Consumer Cyclical (1.2%)				
	6.125%	3/30/40	390	458		3.600%	11/28/24	1,065	1,048	
	3.450%	9/15/21	1,125	1,121		3.400%	12/6/27	1,750	1,629	
	5.000%	2/15/24	220	229		2.500%	11/29/22	885	860	
	4.400%	2/15/26	450	449		2.800%	8/22/24	715	682	
	5.200%	3/15/20	255	263		4.800%	12/5/34	995	1,086	
	2.450%	6/30/20	225	221		4.950%	12/5/44	580	643	
	4.600%	2/15/21	100	103		4.250%	8/22/57	1,385	1,364	
	4.500%	3/9/48	602	518		2.125%	10/10/18	1,110	1,109	
	4.300%	2/15/21	675	688		3.700%	4/15/22	1,371	1,379	
	3.600%	3/1/24	2,900	2,853		3.125%	7/15/23	600	583	
	3.375%	2/15/25	70	67	4	2.000%	4/11/21	585	565	
	2.350%	1/15/27	540	470	4	2.250%	9/15/23	2,500	2,330	
	4.250%	1/15/33	1,032	1,007	4	2.800%	4/11/26	151	139	
	4.200%	8/15/34	730	695	4	2.375%	8/1/18	900	900	
	5.650%	6/15/35	110	122	4	2.250%	7/31/19	1,575	1,563	
	4.400%	8/15/35	877	852	4	2.200%	5/5/20	470	460	
	6.500%	11/15/35	115	136	4	2.450%	5/18/20	155	153	
	6.400%	5/15/38	27	32	4	2.300%	2/12/21	945	917	
	4.650%	7/15/42	1,290	1,249	4	3.250%	8/1/24	160	155	
	4.500%	1/15/43	500	471		4.346%	12/8/26	1,225	1,199	
	4.750%	3/1/44	876	860		2.375%	3/12/19	900	897	
	4.600%	8/15/45	1,198	1,150		3.157%	8/4/20	710	705	
	3.969%	11/1/47	252	221		3.550%	4/9/21	455	453	
	4.000%	3/1/48	345	303		3.950%	4/13/24	1,570	1,532	
	3.999%	11/1/49	602	526		2.250%	9/10/18	975	975	
	4.049%	11/1/52	187	162		2.700%	4/1/23	720	702	
4	4.800%	2/1/35	1,540	1,405		4.400%	3/15/45	780	800	
4	6.450%	12/1/36	45	51		2.550%	4/3/20	790	777	
4	4.600%	8/15/47	125	113	4.5	3.261%	7/8/21	1,400	1,401	
	3.650%	9/1/27	285	265		3.100%	5/3/27	1,300	1,231	
	3.800%	2/15/28	235	220		6.500%	3/15/29	334	406	
	5.625%	8/15/19	49	50		2.625%	1/15/22	195	191	
4	2.350%	6/15/20	580	570		3.250%	6/10/24	140	138	
						4.875%	12/9/45	260	273	
					4	2.650%	9/26/18	585	585	
					4					
						2.450%	11/20/19	440	436	
						2.550%	4/11/23	1,250	1,207	
						3.550%	6/26/25	1,605	1,614	
						3.625%	12/15/47	380	355	

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Consumer Noncyclical (3.6%)									
	3.000%	3/12/20	1,121	1,116		3.700%	4/1/24	1,010	1,012
	3.450%	3/15/22	450	443		3.500%	2/1/25	560	551
	3.800%	3/15/25	1,125	1,094		4.500%	2/1/45	825	824
	4.550%	3/15/35	660	626		4.750%	3/1/46	195	201
	4.850%	6/15/44	450	434		2.800%	3/18/23	385	375
	4.750%	3/15/45	160	154	4	5.375%	4/15/34	2,000	2,274
	4.750%	5/5/21	590	613	4	3.750%	7/21/22	1,680	1,667
	2.850%	8/9/22	455	444	4	2.100%	7/23/18	545	545
	4.500%	5/2/43	245	235		3.500%	4/1/22	560	565
	3.875%	9/16/46	625	549		3.150%	5/1/27	490	470
	3.500%	11/15/21	1,310	1,308		4.875%	4/1/42	365	408
	3.875%	11/15/21	310	315		3.000%	6/1/26	530	478
	5.150%	11/15/41	945	996		5.000%	7/15/35	230	227
	4.663%	6/15/51	325	321		4.750%	6/1/46	1,710	1,474
	3.300%	2/1/23	2,000	1,983		2.700%	12/15/22	195	187
	3.650%	2/1/26	1,805	1,767		2.850%	3/15/23	190	182
	4.700%	2/1/36	3,990	4,032		3.796%	3/15/24	305	301
	4.900%	2/1/46	2,640	2,717		2.500%	3/15/20	935	928
	3.750%	1/15/22	400	406		3.150%	3/15/22	1,690	1,677
	2.500%	7/15/22	3,780	3,640		3.625%	3/15/24	270	271
	4.375%	4/15/38	635	614		3.500%	3/15/25	2,196	2,172
	3.750%	7/15/42	520	455		4.375%	3/15/35	249	257
	4.600%	4/15/48	395	389					
	3.945%	11/15/46	365	359					
1	4.847%	11/15/53	55	62					
	1.950%	9/18/19	390	385		4.125%	7/1/52	310	314
	2.375%	11/16/20	1,180	1,158		4.200%	7/1/55	310	320
	6.450%	9/15/37	615	760		2.350%	2/10/22	790	769
4	3.557%	8/15/27	1,875	1,743		2.800%	5/18/23	1,175	1,149
4	2.750%	6/15/20	550	543		2.750%	2/10/25	1,210	1,156
4	3.250%	6/7/22	1,480	1,454		4.150%	5/18/43	760	776
4	3.500%	6/15/22	235	233		3.500%	5/1/22	690	688
4	4.250%	12/15/25	975	980		5.000%	5/1/42	160	161
4	2.375%	10/8/19	200	198		3.950%	6/15/26	900	859
4	3.000%	10/8/21	1,980	1,945		4.024%	8/1/45	735	737
	2.900%	9/15/20	550	547		3.400%	5/6/24	415	414
	2.400%	11/15/19	625	619		4.400%	5/6/44	640	684
	3.200%	3/15/23	1,065	1,034		4.089%	10/1/48	80	79
	3.079%	6/15/24	320	301					
	3.500%	11/15/24	580	558		3.443%	7/1/21	50	50
	4.500%	11/15/44	665	601		3.125%	11/1/20	330	332
4	4.307%	5/14/21	2,092	2,148		2.750%	3/5/22	670	662
4	6.875%	5/1/28	645	781		2.375%	10/6/26	1,945	1,774
4	4.760%	11/23/45	635	705		4.000%	3/5/42	845	828
	2.600%	8/1/18	255	255		3.450%	10/6/46	1,215	1,083
	2.950%	11/1/22	535	517		3.000%	6/15/23	755	746
	4.200%	8/1/23	535	546		3.000%	12/15/26	1,200	1,151
1	4.350%	11/1/42	496	468		4.500%	3/26/20	250	256
	2.250%	5/15/19	160	159		4.125%	5/17/21	1,025	1,048
	3.550%	8/15/22	475	471		2.500%	8/22/22	575	553
	3.500%	9/15/20	500	501		2.625%	3/6/23	1,150	1,100
	3.300%	9/1/21	300	303		3.375%	8/11/25	424	412
	2.375%	11/26/18	346	346	1	4.875%	11/15/43	145	149
	3.875%	11/26/23	850	851		9.360%	1/1/21	654	708
	7.600%	5/19/25	480	599					
	2.700%	5/9/22	65	63					
	2.750%	12/1/22	965	925		2.746%	10/1/26	490	457
	4.875%	7/20/35	315	313	1				
	5.125%	7/20/45	1,380	1,404		3.930%	10/1/48	325	311
	5.050%	3/25/48	615	623	4	2.875%	9/29/21	850	842
	2.625%	4/29/23	1,230	1,188	4	2.375%	1/28/27	1,650	1,499
	2.875%	5/11/22	525	517		4.000%	3/29/21	1,130	1,156
	2.637%	11/1/19	140	139	4	4.125%	5/2/26	510	478
	3.812%	11/1/24	560	552		3.823%	6/1/27	940	936
	3.700%	3/1/45	635	600		3.795%	11/15/48	235	227
4	2.950%	3/19/22	605	591					
4	4.875%	2/15/21	268	275		2.800%	7/21/23	980	846
	2.550%	9/1/20	615	608		3.850%	8/1/23	270	270
						4.000%	2/1/24	540	541
						7.000%	3/1/29	500	637
						4.250%	2/10/21	2,805	2,881

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		
Energy (1.3%)											
4	BG Energy Capital plc	4.000%	10/15/21	555	566	Broadcom Corp. / Broadcom Cayman Finance Ltd.	3.625%	1/15/24	905	876	
	BP Capital Markets plc	4.750%	3/10/19	795	806	Cisco Systems Inc.	4.450%	1/15/20	605	620	
	BP Capital Markets plc	2.315%	2/13/20	160	158	Cisco Systems Inc.	2.900%	3/4/21	320	320	
	BP Capital Markets plc	4.500%	10/1/20	400	412	Cisco Systems Inc.	2.500%	9/20/26	431	399	
	BP Capital Markets plc	3.062%	3/17/22	1,100	1,093	Intel Corp.	2.875%	5/11/24	800	774	
	BP Capital Markets plc	3.245%	5/6/22	650	648	Intel Corp.	4.100%	5/19/46	1,360	1,360	
	BP Capital Markets plc	2.500%	11/6/22	500	481	International Business Machines Corp.	3.375%	8/1/23	1,750	1,748	
	BP Capital Markets plc	3.994%	9/26/23	420	429	International Business Machines Corp.	5.875%	11/29/32	1,010	1,222	
	BP Capital Markets plc	3.814%	2/10/24	1,700	1,715	Microsoft Corp.	2.375%	2/12/22	635	620	
	BP Capital Markets plc	3.506%	3/17/25	1,280	1,267	Microsoft Corp.	3.625%	12/15/23	500	511	
	Chevron Corp.	3.191%	6/24/23	1,235	1,224	Microsoft Corp.	2.875%	2/6/24	1,385	1,358	
	ConocoPhillips Co.	4.950%	3/15/26	115	124	Microsoft Corp.	2.700%	2/12/25	760	730	
	ConocoPhillips Co.	4.300%	11/15/44	1,215	1,227	Microsoft Corp.	3.125%	11/3/25	845	830	
	Devon Energy Corp.	3.250%	5/15/22	495	484	Microsoft Corp.	2.400%	8/8/26	1,890	1,745	
	Dominion Energy Gas Holdings LLC	3.550%	11/1/23	470	465	Microsoft Corp.	3.500%	2/12/35	605	586	
	Dominion Energy Gas Holdings LLC	4.800%	11/1/43	125	130	Microsoft Corp.	3.450%	8/8/36	1,725	1,651	
	Dominion Energy Gas Holdings LLC	4.600%	12/15/44	1,168	1,161	Microsoft Corp.	4.100%	2/6/37	1,225	1,267	
	Enterprise Products Operating LLC	4.250%	2/15/48	1,000	930	Microsoft Corp.	4.450%	11/3/45	380	411	
	EOG Resources Inc.	5.625%	6/1/19	425	435	Microsoft Corp.	3.700%	8/8/46	1,615	1,560	
	Exxon Mobil Corp.	2.222%	3/1/21	380	372	Microsoft Corp.	4.250%	2/6/47	2,500	2,650	
	Exxon Mobil Corp.	2.726%	3/1/23	320	313	Oracle Corp.	2.800%	7/8/21	375	372	
	Exxon Mobil Corp.	3.043%	3/1/26	225	219	Oracle Corp.	2.500%	5/15/22	1,210	1,178	
	Exxon Mobil Corp.	4.114%	3/1/46	320	325	Oracle Corp.	2.950%	11/15/24	2,190	2,108	
	Halliburton Co.	3.500%	8/1/23	1,980	1,972	Oracle Corp.	2.950%	5/15/25	355	338	
	Noble Energy Inc.	4.150%	12/15/21	425	432	Oracle Corp.	3.250%	11/15/27	3,065	2,927	
	Occidental Petroleum Corp.	4.100%	2/1/21	1,120	1,146	Oracle Corp.	4.000%	11/15/47	895	844	
	Occidental Petroleum Corp.	2.700%	2/15/23	250	243	QUALCOMM Inc.	2.600%	1/30/23	705	673	
	Occidental Petroleum Corp.	3.400%	4/15/26	790	769	QUALCOMM Inc.	2.900%	5/20/24	1,020	964	
4	Schlumberger Holdings Corp.	3.000%	12/21/20	800	794	4	Tencent Holdings Ltd.	3.595%	1/19/28	1,545	1,455
4	Schlumberger Investment SA	2.400%	8/1/22	630	605	Transportation (0.4%)					
	Schlumberger Investment SA	3.650%	12/1/23	1,120	1,128	Burlington Northern Santa Fe LLC	3.000%	3/15/23	565	554	
	Shell International Finance BV	4.375%	3/25/20	800	820	Burlington Northern Santa Fe LLC	3.850%	9/1/23	1,630	1,663	
	Shell International Finance BV	2.250%	11/10/20	1,600	1,574	Burlington Northern Santa Fe LLC	3.250%	6/15/27	335	324	
	Shell International Finance BV	4.125%	5/11/35	1,130	1,145	1	Continental Airlines 2007-1 Class A Pass Through Trust	5.983%	10/19/23	659	698
	Shell International Finance BV	5.500%	3/25/40	345	403		CSX Corp.	4.300%	3/1/48	445	424
	Shell International Finance BV	4.375%	5/11/45	2,500	2,550	4	ERAC USA Finance LLC	2.350%	10/15/19	610	604
	Suncor Energy Inc.	5.950%	12/1/34	500	579	4	ERAC USA Finance LLC	4.500%	8/16/21	325	333
	Sunoco Logistics Partners Operations LP	4.400%	4/1/21	1,225	1,245	4	ERAC USA Finance LLC	3.300%	10/15/22	40	40
	Total Capital International SA	2.700%	1/25/23	885	860	4	ERAC USA Finance LLC	7.000%	10/15/37	1,150	1,438
	Total Capital International SA	3.750%	4/10/24	1,400	1,410	1	Federal Express Corp. 1998 Pass Through Trust	6.720%	1/15/22	639	670
	Total Capital SA	2.125%	8/10/18	850	850		FedEx Corp.	2.700%	4/15/23	255	244
	TransCanada PipeLines Ltd.	3.800%	10/1/20	1,220	1,236		FedEx Corp.	3.875%	8/1/42	120	107
	TransCanada PipeLines Ltd.	4.875%	1/15/26	1,255	1,310		FedEx Corp.	4.100%	4/15/43	500	457
							FedEx Corp.	5.100%	1/15/44	340	356
	Other Industrial (0.1%)						FedEx Corp.	4.550%	4/1/46	215	207
1	Johns Hopkins University Maryland GO	4.083%	7/1/53	690	705		Kansas City Southern	4.950%	8/15/45	480	482
4	SBA Tower Trust	2.898%	10/8/19	1,205	1,198	4	Penske Truck Leasing Co. LP / PTL Finance Corp.	3.950%	3/10/25	1,435	1,411
4	SBA Tower Trust	3.168%	4/11/22	1,330	1,315	1	Southwest Airlines Co. 2007-1 Pass Through Trust	6.150%	2/1/24	312	330
4	SBA Tower Trust	3.448%	3/15/23	705	702	1	United Airlines 2018-1 Class B Pass Through Trust	4.600%	3/1/26	215	215
							United Parcel Service Inc.	2.450%	10/1/22	425	411
							United Parcel Service Inc.	4.875%	11/15/40	150	164
	Technology (1.6%)									294,617	
	Apple Inc.	2.850%	5/6/21	1,100	1,097	Utilities (2.5%)					
	Apple Inc.	3.000%	2/9/24	620	607	Electric (2.2%)					
	Apple Inc.	3.450%	5/6/24	1,000	1,000		Alabama Power Co.	5.200%	6/1/41	120	134
	Apple Inc.	2.850%	5/11/24	1,225	1,184		Alabama Power Co.	4.100%	1/15/42	215	210
	Apple Inc.	2.750%	1/13/25	590	563		Alabama Power Co.	3.750%	3/1/45	630	586
	Apple Inc.	3.250%	2/23/26	1,020	994		Alabama Power Co.	4.300%	7/15/48	775	787
	Apple Inc.	2.450%	8/4/26	1,170	1,072		Ameren Illinois Co.	3.800%	5/15/28	590	593
	Apple Inc.	3.350%	2/9/27	1,545	1,508		Ameren Illinois Co.	6.125%	12/15/28	1,000	1,121
	Apple Inc.	3.200%	5/11/27	1,065	1,027		Ameren Illinois Co.	3.700%	12/1/47	140	131
	Apple Inc.	2.900%	9/12/27	2,250	2,111						
	Apple Inc.	3.850%	5/4/43	430	408						
	Apple Inc.	4.450%	5/6/44	120	125						
	Apple Inc.	3.850%	8/4/46	985	933						
	Applied Materials Inc.	3.300%	4/1/27	875	847						

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Berkshire Hathaway Energy Co.	6.125%	4/1/36	1,160	1,428		PacifiCorp	6.250%	10/15/37	2,000	2,545
Berkshire Hathaway Energy Co.	5.150%	11/15/43	1,490	1,656		Potomac Electric Power Co.	6.500%	11/15/37	750	978
Commonwealth Edison Co.	2.950%	8/15/27	645	605		San Diego Gas & Electric Co.	6.000%	6/1/26	600	681
Commonwealth Edison Co.	4.350%	11/15/45	220	224		Sierra Pacific Power Co.	3.375%	8/15/23	850	844
Commonwealth Edison Co.	3.650%	6/15/46	175	161		Sierra Pacific Power Co.	2.600%	5/1/26	221	204
Commonwealth Edison Co.	4.000%	3/1/48	480	469		South Carolina Electric & Gas Co.	5.300%	5/15/33	44	47
Consolidated Edison Co. of New York Inc.	4.500%	12/1/45	980	1,013		South Carolina Electric & Gas Co.	6.050%	1/15/38	1,260	1,431
Consolidated Edison Co. of New York Inc.	3.850%	6/15/46	76	71		South Carolina Electric & Gas Co.	5.450%	2/1/41	95	102
Consolidated Edison Co. of New York Inc.	4.625%	12/1/54	1,835	1,890		South Carolina Electric & Gas Co.	4.350%	2/1/42	181	172
Consolidated Edison Co. of New York Inc.	4.500%	5/15/58	680	683		South Carolina Electric & Gas Co.	4.600%	6/15/43	202	197
Delmarva Power & Light Co.	3.500%	11/15/23	305	305		South Carolina Electric & Gas Co.	4.100%	6/15/46	425	386
Dominion Energy Inc.	2.962%	7/1/19	495	494		South Carolina Electric & Gas Co.	4.500%	6/1/64	115	104
Dominion Energy Inc.	5.200%	8/15/19	750	767		South Carolina Electric & Gas Co.	5.100%	6/1/65	715	720
Dominion Energy Inc.	2.579%	7/1/20	640	631		Southern California Edison Co.	2.400%	2/1/22	170	164
Dominion Energy Inc.	3.625%	12/1/24	1,515	1,485		Southern California Edison Co.	6.000%	1/15/34	1,000	1,166
DTE Energy Co.	3.800%	3/15/27	250	244		Southern California Edison Co.	5.550%	1/15/37	2,250	2,607
Duke Energy Carolinas LLC	3.900%	6/15/21	1,090	1,110		Southern California Edison Co.	6.050%	3/15/39	55	66
Duke Energy Carolinas LLC	6.100%	6/1/37	391	487		Southern California Edison Co.	4.050%	3/15/42	432	404
Duke Energy Carolinas LLC	3.700%	12/1/47	470	437		Southern California Edison Co.	3.900%	3/15/43	225	206
Duke Energy Corp.	2.650%	9/1/26	315	283		Southern California Edison Co.	4.650%	10/1/43	460	470
Duke Energy Corp.	4.800%	12/15/45	1,200	1,249		Southern California Edison Co.	3.600%	2/1/45	141	124
Duke Energy Corp.	3.750%	9/1/46	265	235		Southern California Edison Co.	4.125%	3/1/48	115	109
Duke Energy Florida LLC	6.350%	9/15/37	200	256		Southern Co.	2.450%	9/1/18	225	225
Duke Energy Progress LLC	6.300%	4/1/38	365	459		Southern Co.	2.950%	7/1/23	1,280	1,234
Duke Energy Progress LLC	4.100%	3/15/43	118	116		Southwestern Electric Power Co.	6.200%	3/15/40	400	491
Duke Energy Progress LLC	4.200%	8/15/45	1,920	1,920		Southwestern Public Service Co.	3.700%	8/15/47	102	96
Entergy Louisiana LLC	3.120%	9/1/27	410	389		Virginia Electric & Power Co.	2.750%	3/15/23	690	668
Eversource Energy	4.500%	11/15/19	90	92		Virginia Electric & Power Co.	3.500%	3/15/27	435	427
Eversource Energy	2.900%	10/1/24	690	654		Wisconsin Electric Power Co.	5.700%	12/1/36	690	832
Eversource Energy	3.150%	1/15/25	110	106						
Eversource Energy	3.300%	1/15/28	400	377		Natural Gas (0.3%)				
Florida Power & Light Co.	5.650%	2/1/35	1,000	1,185		4 Boston Gas Co.	3.150%	8/1/27	140	132
Florida Power & Light Co.	4.950%	6/1/35	1,000	1,099		4 Brooklyn Union Gas Co.	4.273%	3/15/48	1,720	1,710
Florida Power & Light Co.	5.950%	2/1/38	785	972		CenterPoint Energy Resources Corp.	4.500%	1/15/21	105	107
Florida Power & Light Co.	5.690%	3/1/40	675	830		4 KeySpan Gas East Corp.	2.742%	8/15/26	670	618
Florida Power & Light Co.	3.700%	12/1/47	480	455		Nisource Finance Corp.	5.250%	2/15/43	390	431
Fortis Inc.	3.055%	10/4/26	1,195	1,087		NiSource Finance Corp.	4.800%	2/15/44	1,355	1,402
Georgia Power Co.	4.750%	9/1/40	168	181		Sempra Energy	2.875%	10/1/22	750	728
Georgia Power Co.	4.300%	3/15/42	565	563		Sempra Energy	3.250%	6/15/27	1,095	1,020
4 Massachusetts Electric Co.	5.900%	11/15/39	585	721		Southern California Gas Co.	2.600%	6/15/26	820	758
MidAmerican Energy Co.	4.250%	5/1/46	45	46						
National Rural Utilities Cooperative Finance Corp.	2.950%	2/7/24	415	400		Other Utility (0.0%)				
National Rural Utilities Cooperative Finance Corp.	2.850%	1/27/25	1,040	989		American Water Capital Corp.	2.950%	9/1/27	540	506
NextEra Energy Capital Holdings Inc.	3.550%	5/1/27	880	841		4 Infraestructura Energetica Nova SAB de CV	4.875%	1/14/48	455	390
Northern States Power Co.	6.250%	6/1/36	2,000	2,490						
Oglethorpe Power Corp.	5.950%	11/1/39	170	205		Total Corporate Bonds (Cost \$610,740)				69,447
Oglethorpe Power Corp.	4.550%	6/1/44	50	50						606,381
Oglethorpe Power Corp.	4.250%	4/1/46	537	523		Sovereign Bonds (1.7%)				
Oglethorpe Power Corp.	5.250%	9/1/50	330	361		4 CDP Financial Inc.	4.400%	11/25/19	1,000	1,022
Oncor Electric Delivery Co. LLC	4.550%	12/1/41	75	79		4 Electricite de France SA	4.600%	1/27/20	1,200	1,226
Pacific Gas & Electric Co.	4.250%	5/15/21	300	300		4 Electricite de France SA	4.875%	1/22/44	50	51
Pacific Gas & Electric Co.	3.850%	11/15/23	450	435		4 Electricite de France SA	4.950%	10/13/45	400	408
Pacific Gas & Electric Co.	3.750%	2/15/24	305	294		Equinor ASA	2.450%	1/17/23	382	367
Pacific Gas & Electric Co.	2.950%	3/1/26	130	115		Export-Import Bank of Korea	1.750%	5/26/19	2,000	1,977
Pacific Gas & Electric Co.	6.050%	3/1/34	385	416		International Bank for Reconstruction & Development	4.750%	2/15/35	2,000	2,435
Pacific Gas & Electric Co.	5.800%	3/1/37	1,416	1,477		8 Japan Bank for International Cooperation	2.250%	2/24/20	1,190	1,178
Pacific Gas & Electric Co.	6.350%	2/15/38	80	86		8 Japan Bank for International Cooperation	2.125%	6/1/20	882	869
Pacific Gas & Electric Co.	6.250%	3/1/39	385	420		8 Japan Bank for International Cooperation	2.125%	7/21/20	1,100	1,082
Pacific Gas & Electric Co.	5.400%	1/15/40	2,050	2,066		9 Japan Treasury Discount Bill	0.000%	7/17/18	250,000	2,258
Pacific Gas & Electric Co.	5.125%	11/15/43	600	589		9 Japan Treasury Discount Bill	0.000%	7/23/18	250,000	2,258
Pacific Gas & Electric Co.	4.750%	2/15/44	150	142		9 Japan Treasury Discount Bill	0.000%	7/30/18	250,000	2,258
Pacific Gas & Electric Co.	4.300%	3/15/45	79	71		4 Kingdom of Saudi Arabia	2.375%	10/26/21	850	816
Pacific Gas & Electric Co.	4.000%	12/1/46	270	232		4 Kingdom of Saudi Arabia	2.875%	3/4/23	1,340	1,289
Pacific Gas & Electric Co.	3.950%	12/1/47	430	367		4 Kingdom of Saudi Arabia	4.000%	4/17/25	1,245	1,237
						Korea Development Bank	2.875%	8/22/18	255	255

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Korea Development Bank	2.500%	3/11/20	2,000	1,974	Illinois Finance Authority	4.545%	10/1/18	810	813
⁴ Mexico City Airport Trust	5.500%	7/31/47	745	663	Illinois GO	5.100%	6/1/33	1,235	1,169
⁴ Petroleos Mexicanos	6.350%	2/12/48	990	903	Illinois Toll Highway Authority Revenue	6.184%	1/1/34	750	936
Province of Ontario	2.500%	4/27/26	2,150	2,037	¹⁰ Kansas Development Finance Authority Revenue (Public Employees Retirement System)	5.501%	5/1/34	2,000	2,291
Province of Quebec	2.500%	4/20/26	3,820	3,633	Los Angeles CA Community College District GO	6.750%	8/1/49	405	590
⁴ Sinopec Group Overseas Development 2015 Ltd.	2.500%	4/28/20	1,615	1,581	Los Angeles CA Unified School District GO	5.750%	7/1/34	1,400	1,697
⁴ Sinopec Group Overseas Development 2015 Ltd.	3.250%	4/28/25	1,615	1,530	Maryland Transportation Authority Facilities Projects Revenue	5.888%	7/1/43	545	700
⁴ Sinopec Group Overseas Development 2017 Ltd.	3.000%	4/12/22	850	830	Massachusetts School Building Authority Dedicated Sales Tax Revenue	5.715%	8/15/39	1,000	1,224
⁴ State Grid Overseas Investment 2014 Ltd.	2.750%	5/7/19	1,305	1,300	New Jersey Turnpike Authority Revenue	7.414%	1/1/40	410	596
⁴ State Grid Overseas Investment 2016 Ltd.	2.750%	5/4/22	1,550	1,503	New Jersey Turnpike Authority Revenue	7.102%	1/1/41	600	844
⁴ State Grid Overseas Investment 2016 Ltd.	3.500%	5/4/27	775	739	New York City NY Municipal Water Finance Authority Water & Sewer System Revenue	5.790%	6/15/41	115	121
⁴ State of Qatar	5.250%	1/20/20	1,665	1,715	New York City NY Municipal Water Finance Authority Water & Sewer System Revenue	5.882%	6/15/44	80	104
⁴ State of Qatar	2.375%	6/2/21	1,590	1,534	New York Metropolitan Transportation Authority Revenue	6.814%	11/15/40	150	201
⁴ State of Qatar	3.875%	4/23/23	1,985	1,984	New York Metropolitan Transportation Authority Revenue (Dedicated Tax Fund)	7.336%	11/15/39	325	475
⁴ State of Qatar	5.103%	4/23/48	820	816	New York Metropolitan Transportation Authority Revenue (Dedicated Tax Fund)	6.089%	11/15/40	445	568
Statoil ASA	2.250%	11/8/19	580	575	New York State Urban Development Corp. Revenue	2.100%	3/15/22	3,040	2,987
Statoil ASA	2.900%	11/8/20	1,410	1,407	North Texas Tollway Authority System Revenue	6.718%	1/1/49	1,555	2,208
Statoil ASA	2.750%	11/10/21	850	838	Oregon Department of Transportation Highway User Tax Revenue	5.834%	11/15/34	655	807
Statoil ASA	2.650%	1/15/24	360	345	Oregon GO	5.902%	8/1/38	490	602
Statoil ASA	3.700%	3/1/24	640	645	¹⁰ Oregon School Boards Association GO	5.528%	6/30/28	2,000	2,245
Statoil ASA	3.250%	11/10/24	795	784	Port Authority of New York & New Jersey Revenue	5.859%	12/1/24	325	373
⁴ Temasek Financial I Ltd.	2.375%	1/23/23	1,130	1,081	Port Authority of New York & New Jersey Revenue	6.040%	12/1/29	265	320
United Mexican States	4.000%	10/2/23	342	342	Port Authority of New York & New Jersey Revenue	4.458%	10/1/62	1,175	1,248
United Mexican States	4.750%	3/8/44	170	159	Port Authority of New York & New Jersey Revenue	4.810%	10/15/65	640	720
Total Sovereign Bonds (Cost \$50,460)				49,904	Regents of the University of California Revenue	3.063%	7/1/25	1,280	1,246
Taxable Municipal Bonds (1.6%)					San Antonio TX Electric & Gas Systems Revenue	5.985%	2/1/39	305	399
Atlanta GA Downtown Development Authority Revenue	6.875%	2/1/21	190	202	University of California Regents Medical Center Revenue	6.548%	5/15/48	295	397
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	6.263%	4/1/49	685	952	University of California Regents Medical Center Revenue	6.583%	5/15/49	765	1,025
Bay Area Toll Authority California Toll Bridge Revenue (San Francisco Bay Area)	7.043%	4/1/50	1,025	1,499	University of California Revenue	4.601%	5/15/31	590	636
California GO	5.700%	11/1/21	265	288	University of California Revenue	5.770%	5/15/43	1,010	1,246
California GO	7.500%	4/1/34	155	218	University of California Revenue	4.765%	5/15/44	145	154
California GO	7.550%	4/1/39	740	1,091	University of California Revenue	3.931%	5/15/45	570	570
California GO	7.300%	10/1/39	300	425	Total Taxable Municipal Bonds (Cost \$42,386)				47,236
California GO	7.350%	11/1/39	2,000	2,847					
California GO	7.625%	3/1/40	35	52					
California GO	7.600%	11/1/40	790	1,188					
Chicago IL Metropolitan Water Reclamation District GO	5.720%	12/1/38	215	266					
Chicago IL O'Hare International Airport Revenue	6.845%	1/1/38	530	559					
Chicago IL O'Hare International Airport Revenue	6.395%	1/1/40	425	563					
Chicago IL Transit Authority Sales Tax Receipts Revenue	6.200%	12/1/40	50	62					
Chicago IL Transit Authority Transfer ax Receipts Revenue	6.899%	12/1/40	1,560	2,030					
Chicago IL Transit Authority	6.899%	12/1/40	695	904					
Dallas TX Area Rapid Transit Revenue	5.999%	12/1/44	750	973					
Georgia Municipal Electric Power Authority Revenue	6.637%	4/1/57	1,406	1,778					
Grand Parkway Transportation Corp.									
Texas System Toll Revenue	5.184%	10/1/42	1,015	1,194					
Houston TX GO	6.290%	3/1/32	550	633					

Balanced Portfolio

	Coupon	Shares	Market Value*
			(\$000)
Temporary Cash Investments (3.0%)			
Money Market Fund (0.0%)			
¹¹ Vanguard Market Liquidity Fund	2.122%	61	6
		Face	
		Maturity Date	Amount (\$000)
Repurchase Agreement (2.9%)			
RBS Securities, Inc.			
(Dated 6/29/18, Repurchase Value \$83,215,000, collateralized by U.S. Treasury Note/Bond, 1.750%–4.750%, 10/31/20–2/15/37, with a value of \$84,867,000)			
	2.100%	7/2/18	83,200 83,200
U.S. Government and Agency Obligations (0.1%)			
United States Treasury Bill	2.299%	6/20/19	2,600 2,543
Total Temporary Cash Investments (Cost \$85,749)			85,749
Total Investments (100.3%) (Cost \$2,415,176)			2,846,261
			Amount (\$000)
Other Assets and Liabilities (-0.3%)			
Other Assets			
Investment in Vanguard			151
Receivables for Investment Securities Sold			10,008
Receivables for Accrued Income			10,178
Receivables for Capital Shares Issued			1,640
Variation Margin Receivable—Futures Contracts			3
Unrealized Appreciation—Forward Currency Contracts			175
Other Assets ¹²			2,130
Total Other Assets			24,285
Liabilities			
Payables for Investment Securities Purchased			(24,431)
Payables for Capital Shares Redeemed			(6,067)
Payables to Investment Advisor			(340)
Payables to Vanguard			(2,327)
Variation Margin Payable—Futures Contracts			(1)
Other Liabilities			(302)
Total Liabilities			(33,468)
Net Assets (100%)			
Applicable to 124,902,365 outstanding \$.001 par value shares of interest (unlimited authorization)			2,837,078
Net Asset Value Per Share			\$22.71

At June 30, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	2,275,249
Undistributed Net Investment Income	36,870
Accumulated Net Realized Gains	94,062
Unrealized Appreciation (Depreciation)	
Investment Securities	431,085
Futures Contracts	(364)
Forward Currency Contracts	175
Foreign Currencies	1
Net Assets	2,837,078

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

- 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.
- 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.
- Includes securities purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2018.
- 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 June 30, 2018, the aggregate value of these securities was \$154,941,000, representing 5.5% of net assets.
- Adjustable-rate security based upon 3-month USD LIBOR plus spread.
- Adjustable-rate security based upon 1-month USD LIBOR plus spread.
- Adjustable-rate security.
- Guaranteed by the Government of Japan.
- Face amount denominated in Japanese yen.
- Scheduled principal and interest payments are guaranteed by AGM (Assured Guaranty Municipal Corporation).
- Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.
- Cash of \$346,000 has been segregated as initial margin for open futures contracts.
 - ADR—American Depositary Receipt.
 - GDR—Global Depositary Receipt.
 - GO—General Obligation Bond.

Balanced Portfolio

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

					(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)	
Long Futures Contracts					
5-Year U.S. Treasury Note	September 2018	36	4,090	9	
Short Futures Contracts					
10-Year U.S. Treasury Note	September 2018	(168)	(20,192)	(170)	
2-Year U.S. Treasury Note	September 2018	(61)	(12,922)	(8)	
Ultra Long U.S. Treasury Bond	September 2018	(48)	(7,659)	(195)	
				(373)	
				(364)	

Unrealized appreciation (depreciation) on open futures contracts is required to be treated as realized gain (loss) for tax purposes.

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation (Depreciation) (\$000)
		Receive	Deliver			
J.P. Morgan	7/17/18	USD 2,343	JPY 250,000		82	
UBS A.G.	7/23/18	USD 2,318	JPY 250,000		56	
Barclays Bank	7/30/18	USD 2,300	JPY 250,000		37	
					175	

JPY—Japanese yen.

USD—U.S. dollar.

Unrealized appreciation (depreciation) on open forward currency contracts is treated as realized gain (loss) for tax purposes.

Statement of Operations

	Six Months Ended June 30, 2018 (\$000)
Investment Income	
Income	
Dividends ¹	26,835
Interest	15,598
Securities Lending—Net	92
Total Income	42,525
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	753
Performance Adjustment	(43)
The Vanguard Group—Note C	
Management and Administrative	2,210
Marketing and Distribution	205
Custodian Fees	30
Shareholders' Reports	14
Trustees' Fees and Expenses	2
Total Expenses	3,171
Net Investment Income	39,354
Realized Net Gain (Loss)	
Investment Securities Sold	94,650
Futures Contracts	1,738
Forward Currency Contracts	(827)
Foreign Currencies	27
Realized Net Gain (Loss)	95,588
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	(169,210)
Futures Contracts	(456)
Forward Currency Contracts	232
Foreign Currencies	(20)
Change in Unrealized Appreciation (Depreciation)	(169,454)
Net Increase (Decrease) in Net Assets Resulting from Operations	(34,512)

¹ Dividends are net of foreign withholding taxes of \$765,000.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2018 (\$000)	Year Ended December 31, 2017 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	39,354	67,553
Realized Net Gain (Loss)	95,588	145,360
Change in Unrealized Appreciation (Depreciation)	(169,454)	162,749
Net Increase (Decrease) in Net Assets Resulting from Operations	(34,512)	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	138,024	292,273
Issued in Lieu of Cash Distributions	212,422	161,592
Redeemed	(208,802)	(279,856)
Net Increase (Decrease) from Capital Share Transactions	141,644	174,009
Total Increase (Decrease)	(105,290)	388,079
Net Assets		
Beginning of Period	2,942,368	2,554,289
End of Period²	2,837,078	2,942,368

¹ Includes fiscal 2018 and 2017 short-term gain distributions totaling \$13,477,000 and \$8,278,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

² Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$36,870,000 and \$64,880,000.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2018	Year Ended December 31,				
		2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$24.80	\$23.03	\$22.32	\$23.99	\$23.66	\$20.70
Investment Operations						
Net Investment Income	.321 ¹	.582 ¹	.581	.576	.569	.540
Net Realized and Unrealized Gain (Loss) on Investments	(.599)	2.648	1.713	(.548)	1.613	3.450
Total from Investment Operations	(.278)	3.230	2.294	.028	2.182	3.990
Distributions						
Dividends from Net Investment Income	(.582)	(.567)	(.576)	(.570)	(.555)	(.550)
Distributions from Realized Capital Gains	(1.230)	(.893)	(1.008)	(1.128)	(1.297)	(.480)
Total Distributions	(1.812)	(1.460)	(1.584)	(1.698)	(1.852)	(1.030)
Net Asset Value, End of Period	\$22.71	\$24.80	\$23.03	\$22.32	\$23.99	\$23.66
Total Return	-1.19%	14.72%	11.01%	0.09%	9.84%	19.88%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$2,837	\$2,942	\$2,554	\$2,312	\$2,334	\$2,089
Ratio of Total Expenses to Average Net Assets ²	0.22%	0.23%	0.23%	0.23%	0.25%	0.27%
Ratio of Net Investment Income to Average Net Assets	2.75%	2.49%	2.66%	2.53%	2.50%	2.52%
Portfolio Turnover Rate ³	41%	28%	33%	45%	70%	31%

The expense ratio, net investment income ratio, and turnover rate for the current period have been annualized.

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%, 0.00%, and 0.00%.

3 Includes 2%, 0%, 0%, 14%, 15%, and 19% 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.

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 six months ended June 30, 2018, the portfolio's average investments in long and short futures contracts represented less than 1% and 2% 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 six months ended June 30, 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. 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.

6. 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.

7. 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.

8. 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, 2014–2017), and for the period ended June 30, 2018, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

9. Distributions: Distributions to shareholders are recorded on the ex-dividend date.

10. 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.

11. 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 June 30, 2018, or at any time during the period then ended.

12. Other: Dividend income is recorded on the ex-dividend date. Interest income includes income distributions received from Vanguard Market Liquidity Fund and 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 six months ended June 30, 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 \$43,000 (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, distribution, and cash management services 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 June 30, 2018, the portfolio had contributed to Vanguard capital in the amount of \$151,000, 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.

Balanced Portfolio

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.

The following table summarizes the market value of the portfolio's investments as of June 30, 2018, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	1,598,359	244,433	—
U.S. Government and Agency Obligations	—	172,209	—
Asset-Backed/Commercial Mortgage-Backed Securities	—	41,990	—
Corporate Bonds	—	606,381	—
Sovereign Bonds	—	49,904	—
Taxable Municipal Bonds	—	47,236	—
Temporary Cash Investments	6	85,743	—
Futures Contracts—Assets ¹	3	—	—
Futures Contracts—Liabilities ¹	(1)	—	—
Forward Currency Contracts—Assets	—	175	—
Total	1,598,367	1,248,071	—

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

E. At June 30, 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)	Total (\$000)
Variation Margin Receivable—Futures Contracts	3	—	3
Unrealized Appreciation—Forward Currency Contracts	—	175	175
Total Assets	3	175	178
Variation Margin Payable—Futures Contracts	(1)	—	(1)

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2018, were:

	Interest Rate Contracts (\$000)	Currency Contracts (\$000)	Total (\$000)
Realized Net Gain (Loss) on Derivatives			
Futures Contracts	1,738	—	1,738
Forward Currency Contracts	—	(827)	(827)
Realized Net Gain (Loss) on Derivatives	1,738	(827)	911
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Futures Contracts	(456)	—	(456)
Forward Currency Contracts	—	232	232
Change in Unrealized Appreciation (Depreciation) on Derivatives	(456)	232	(224)

F. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes. The portfolio's tax-basis capital gains and losses are determined only at the end of each fiscal year.

Balanced Portfolio

At June 30, 2018, the cost of investment securities for tax purposes was \$2,415,732,000. Net unrealized appreciation of investment securities for tax purposes was \$430,529,000, consisting of unrealized gains of \$468,556,000 on securities that had risen in value since their purchase and \$38,027,000 in unrealized losses on securities that had fallen in value since their purchase.

G. During the six months ended June 30, 2018, the portfolio purchased \$437,435,000 of investment securities and sold \$423,793,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were \$163,900,000 and \$143,853,000, respectively.

H. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2018	Year Ended December 31, 2017
	Shares (000)	Shares (000)
Issued	5,775	12,418
Issued in Lieu of Cash Distributions	9,268	7,227
Redeemed	(8,774)	(11,942)
Net Increase (Decrease) in Shares Outstanding	6,269	7,703

At June 30, 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 79% 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 June 30, 2018, that would require recognition or disclosure in these financial statements.

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 June 30, 2018

Balanced Portfolio	Beginning Account Value 12/31/2017	Ending Account Value 6/30/2018	Expenses Paid During Period ¹
Based on Actual Portfolio Return	\$1,000.00	\$988.10	\$1.08
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.70	1.10

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 0.22%. 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 (181/365).

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Fund Balanced Portfolio has renewed the portfolio's investment advisory arrangement with Wellington Management Company LLP (Wellington Management). The board determined that renewing the portfolio's advisory arrangement was in the best interests of the portfolio and its shareholders.

The board based its decision upon an evaluation of the advisor's investment staff, portfolio management process, and performance. This evaluation included information provided to the board by Vanguard's Portfolio Review Department, which is responsible for fund and advisor oversight and product management. The Portfolio Review Department met regularly with the advisor and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

The board, or an investment committee made up of board members, also received information throughout the year during advisor presentations. For each advisor presentation, the board was provided with letters and reports that included information about, among other things, the advisory firm and the advisor's assessment of the investment environment, portfolio performance, and portfolio characteristics.

In addition, the board received monthly reports, which included a Market and Economic Report, a Fund Dashboard Monthly Summary, and a Fund Performance Report.

Prior to their meeting, the trustees were provided with a memo and materials that summarized the information they received over the course of the year. They also considered the factors discussed below, among others. However, no single factor determined whether the board approved the arrangement. Rather, it was the totality of the circumstances that drove the board's decision.

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term and took into account the organizational depth and stability of the advisor. The board considered that Wellington Management, founded in 1928, is among the nation's oldest and most respected institutional investment managers. The portfolio managers are backed by well-tenured teams of equity and fixed income research analysts who conduct detailed fundamental analysis of their respective industries and companies. In managing the equity portion of the portfolio, the advisor employs a bottom-up, fundamental research approach focusing on high-quality companies with above-average yields, strong balance sheets, sustainable competitive advantages, and attractive valuations. In managing the fixed income portion of the portfolio, the advisor focuses on investment-grade corporate bonds. The firm has advised the Balanced Portfolio since its inception in 1991.

The board concluded that the advisor's experience, stability, depth, and performance, among other factors, warranted continuation of the advisory arrangement.

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangement should continue. Information about the portfolio's most recent performance can be found in the Performance Summary section of this report.

Cost

The board concluded that the portfolio's expense ratio was well below the average expense ratio charged by funds in its peer group and that the portfolio's advisory fee rate was also well below the peer-group average. Information about the portfolio's expense ratio appears in the About Your Portfolio's Expenses section as well as in the Financial Statements section, which also includes information about the portfolio's advisory fee rate.

The board did not consider the profitability of Wellington Management in determining whether to approve the advisory fee, because Wellington Management is independent of Vanguard and the advisory fee is the result of arm's-length negotiations.

The benefit of economies of scale

The board concluded that the portfolio's shareholders benefit from economies of scale because of breakpoints in the portfolio's advisory fee schedule. The breakpoints reduce the effective rate of the fee as the portfolio's assets increase.

The board will consider whether to renew the advisory arrangement again after a one-year period.

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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 on an at-cost basis.

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 208 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

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
Chris D. McIsaac	

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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Q692B 082018