

Semiannual Report | June 30, 2023

Vanguard Variable Insurance Funds

Balanced Portfolio

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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 accompanying table 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, including annual expense ratios, in the Financial Statements section of this report. For additional information on operating expenses and other shareholder costs, please refer to your portfolio's current prospectus.

Six Months Ended June 30, 2023

	Beginning Account Value 12/31/2022	Ending Account Value 6/30/2023	Expenses Paid During Period
Balanced Portfolio			
Based on Actual Portfolio Return	\$1,000.00	\$1,076.50	\$1.08
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.75	1.05

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 0.21%. 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).

Balanced Portfolio

Portfolio Allocation

As of June 30, 2023

Asset-Backed/Commercial Mortgage-Backed Securities	0.7%
Common Stocks	66.8
Corporate Bonds	22.6
Sovereign Bonds	0.3
Taxable Municipal Bonds	1.7
U.S. Government and Agency Obligations	7.9

The table reflects the portfolio's investments, except for short-term investments and derivatives. The agency and mortgage-backed securities may include issues from government-sponsored enterprises; such issues are generally not backed by the full faith and credit of the U.S. government.

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2023

The portfolio files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The portfolio's Form N-PORT reports are available on the SEC's website at www.sec.gov.

	Shares	Market Value● (\$000)		Shares	Market Value● (\$000)		Shares	Market Value● (\$000)
Common Stocks (65.3%)			Intercontinental Exchange Inc.			Utilities (2.3%)		
Communication Services (6.7%)				11,000	1,244	Exelon Corp.	758,504	30,901
* Alphabet Inc. Class A	923,859	110,586			221,723	Duke Energy Corp.	326,017	29,257
* Meta Platforms Inc. Class A	236,625	67,906	Health Care (10.7%)			American Electric Power Co. Inc.	117,118	9,861
Electronic Arts Inc.	163,483	21,204	UnitedHealth Group Inc.	96,821	46,536	Constellation Energy Corp.	21,558	1,974
* Walt Disney Co.	127,853	11,415	HCA Healthcare Inc.	130,907	39,728			71,993
		211,111	AstraZeneca plc ADR	512,234	36,661	Total Common Stocks (Cost \$1,585,324)		
Consumer Discretionary (8.2%)			Humana Inc.	76,151	34,049			2,052,784
* Amazon.com Inc.	661,008	86,169	Becton Dickinson and Co.	121,909	32,185			
McDonald's Corp.	128,086	38,222	Pfizer Inc.	761,503	27,932			
Starbucks Corp.	276,513	27,391	Novartis AG (Registered)	275,209	27,746			
TJX Cos. Inc.	320,806	27,201	Elevance Health Inc.	52,907	23,506			
Home Depot Inc.	87,278	27,112	Merck & Co. Inc.	181,315	20,922			
Lennar Corp. Class A	101,315	12,696	Danaher Corp.	77,023	18,486			
* Airbnb Inc. Class A	92,518	11,857	Zoetis Inc.	67,616	11,644			
DR Horton Inc.	78,656	9,572	* Vertex Pharmaceuticals Inc.	26,871	9,456			
* Coupang Inc. Class A	488,907	8,507	Daiichi Sankyo Co. Ltd.	274,500	8,722			
NIKE Inc. Class B	67,220	7,419			337,573			
		256,146	Industrials (6.1%)					
Consumer Staples (4.1%)			Honeywell International Inc.	148,782	30,872			
Procter & Gamble Co.	265,447	40,279	Raytheon Technologies Corp.	291,388	28,544			
Sysco Corp.	432,153	32,066	Johnson Controls International plc	364,554	24,841			
Coca-Cola Co.	429,861	25,886	Fortive Corp.	320,137	23,937			
Pernod Ricard SA	80,503	17,789	Illinois Tool Works Inc.	94,171	23,558			
Nestle SA (Registered)	75,504	9,083	Deere & Co.	54,130	21,933			
Unilever plc (XLON)	98,016	5,104	Parker-Hannifin Corp.	51,173	19,959			
		130,207	Northrop Grumman Corp.	37,259	16,983			
Energy (3.7%)					190,627			
Shell plc	1,362,721	41,049	Information Technology (14.2%)					
ConocoPhillips	260,253	26,965	Microsoft Corp.	538,079	183,237			
Cenovus Energy Inc.	614,883	10,441	Apple Inc.	499,443	96,877			
Diamondback Energy Inc.	56,141	7,375	Texas Instruments Inc.	246,673	44,406			
Pioneer Natural Resources Co.	35,206	7,294	Taiwan Semiconductor Manufacturing Co. Ltd. ADR	258,138	26,051			
EQT Corp.	136,298	5,606	Intel Corp.	623,377	20,846			
EOG Resources Inc.	46,322	5,301	* Salesforce Inc.	97,380	20,573			
Coterra Energy Inc.	200,832	5,081	Accenture plc Class A	59,959	18,502			
Chesapeake Energy Corp.	55,987	4,685	* Advanced Micro Devices Inc.	159,363	18,153			
Phillips 66	27,460	2,619	Analog Devices Inc.	49,507	9,644			
		116,416	KLA Corp.	18,562	9,003			
Financials (7.1%)					447,292			
Progressive Corp.	368,453	48,772	Materials (1.3%)					
S&P Global Inc.	65,246	26,157	Glencore plc	4,972,779	28,195			
Morgan Stanley	288,281	24,619	Anglo American plc	449,922	12,811			
JPMorgan Chase & Co.	154,417	22,458			41,006			
Global Payments Inc.	170,433	16,791	Real Estate (0.9%)					
BlackRock Inc.	24,111	16,664	Welltower Inc.	257,501	20,829			
Mastercard Inc. Class A	39,673	15,603	VICI Properties Inc. Class A	250,103	7,861			
Visa Inc. Class A	63,765	15,143			28,690			
Charles Schwab Corp.	200,347	11,356						
American Express Co.	58,822	10,247						
Goldman Sachs Group Inc.	19,688	6,350						
Everest Re Group Ltd.	18,483	6,319						

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
U.S. Government and Agency Obligations (7.8%)					
U.S. Government Securities (6.9%)					
1	United States Treasury Note/Bond	0.750%	11/15/24	750	705
	United States Treasury Note/Bond	1.000%	12/15/24	5,350	5,035
	United States Treasury Note/Bond	4.250%	12/31/24	4,650	4,585
	United States Treasury Note/Bond	1.125%	1/15/25	8,200	7,711
	United States Treasury Note/Bond	1.125%	2/28/25	6,395	5,994
	United States Treasury Note/Bond	4.625%	2/28/25	1,100	1,092
	United States Treasury Note/Bond	1.750%	3/15/25	7,880	7,453
	United States Treasury Note/Bond	3.875%	3/31/25	7,800	7,648
	United States Treasury Note/Bond	2.625%	4/15/25	9,520	9,130
	United States Treasury Note/Bond	0.250%	5/31/25	4,850	4,438
	United States Treasury Note/Bond	4.250%	5/31/25	500	494
	United States Treasury Note/Bond	0.250%	7/31/25	5,655	5,144
	United States Treasury Note/Bond	3.125%	8/15/25	17,200	16,611
	United States Treasury Note/Bond	0.250%	8/31/25	4,800	4,355
	United States Treasury Note/Bond	3.500%	9/15/25	3,760	3,658
	United States Treasury Note/Bond	4.250%	10/15/25	2,800	2,769
	United States Treasury Note/Bond	0.250%	10/31/25	22,365	20,184
	United States Treasury Note/Bond	4.000%	12/15/25	2,000	1,969
	United States Treasury Note/Bond	0.375%	12/31/25	890	802
	United States Treasury Note/Bond	3.875%	1/15/26	3,600	3,533
	United States Treasury Note/Bond	4.000%	2/15/26	15,500	15,263
	United States Treasury Note/Bond	0.750%	3/31/26	210	190
	United States Treasury Note/Bond	2.500%	3/31/27	1,299	1,217
	United States Treasury Note/Bond	2.750%	7/31/27	3,926	3,701
	United States Treasury Note/Bond	3.125%	8/31/27	650	622
	United States Treasury Note/Bond	4.125%	9/30/27	13,477	13,401
	United States Treasury Note/Bond	4.125%	10/31/27	10,200	10,146
	United States Treasury Note/Bond	3.875%	11/30/27	2,140	2,110
	United States Treasury Note/Bond	3.875%	12/31/27	3,172	3,128
	United States Treasury Note/Bond	4.000%	2/29/28	5,762	5,720
	United States Treasury Note/Bond	3.625%	3/31/28	249	243
	United States Treasury Note/Bond	3.625%	5/31/28	336	329
	United States Treasury Note/Bond	3.875%	9/30/29	84	83
	United States Treasury Note/Bond	4.000%	10/31/29	334	333
	United States Treasury Note/Bond	3.500%	4/30/30	317	308
	United States Treasury Note/Bond	3.750%	5/31/30	538	531
	United States Treasury Note/Bond	4.125%	11/15/32	78	79
	United States Treasury Note/Bond	3.500%	2/15/33	18	18
	United States Treasury Note/Bond	3.375%	5/15/33	3,240	3,125
	United States Treasury Note/Bond	2.000%	11/15/41	13,748	10,062
	United States Treasury Note/Bond	2.375%	2/15/42	865	674
	United States Treasury Note/Bond	3.375%	8/15/42	15,989	14,507
	United States Treasury Note/Bond	4.000%	11/15/42	4,094	4,068
	United States Treasury Note/Bond	3.875%	2/15/43	2,022	1,972
	United States Treasury Note/Bond	3.875%	5/15/43	2,980	2,908
United States Treasury Note/Bond	4.000%	11/15/52	110	113	
United States Treasury Note/Bond	3.625%	2/15/53	2,804	2,691	
United States Treasury Note/Bond	3.625%	5/15/53	5,795	5,572	
				216,424	
Conventional Mortgage-Backed Securities (0.7%)					
2,3	Fannie Mae Pool	1.770%	1/1/36	536	415
2,3	Freddie Mac Gold Pool	4.000%	9/1/41	1	1
2	Ginnie Mae I Pool	7.000%	11/15/31 - 11/15/33	25	26
2	Ginnie Mae I Pool	8.000%	9/15/30	24	24
2,3	UMBS Pool	2.000%	5/1/36 - 3/1/37	3,565	3,166
2,3	UMBS Pool	2.500%	4/1/37 - 4/1/38	668	595
2,3	UMBS Pool	5.000%	1/1/53 - 5/1/53	18,813	18,435
				22,662	
Nonconventional Mortgage-Backed Securities (0.2%)					
2,3	Fannie Mae REMICS	1.500%	8/25/41	78	73
2,3	Fannie Mae REMICS	1.700%	6/25/43	34	32
2,3	Fannie Mae REMICS	2.000%	6/25/44	11	10

		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
2,3	Fannie Mae REMICS	2.500%	8/25/46	444	352
2,3	Fannie Mae REMICS	3.000%	12/25/39 - 9/25/57	1,211	1,088
2,3	Fannie Mae REMICS	3.500%	4/25/31 - 11/25/57	1,906	1,798
2,3	Fannie Mae REMICS	4.000%	7/25/53	62	61
2,3	Freddie Mac REMICS	3.000%	6/15/44 - 7/15/45	295	260
2,3	Freddie Mac REMICS	3.500%	3/15/31 - 10/15/45	256	236
2,3	Freddie Mac REMICS	4.000%	12/15/30 - 2/15/31	106	102
2	Ginnie Mae REMICS	1.700%	10/20/45	10	10
					4,022
Total U.S. Government and Agency Obligations (Cost \$256,289)					243,108
Asset-Backed/Commercial Mortgage-Backed Securities (0.7%)					
2,4	Aaset Trust Class A Series 2019-1	3.844%	5/15/39	185	133
2,4	Affirm Asset Securitization Trust Class A Series 2021-B	1.030%	8/17/26	510	505
2,4	Affirm Asset Securitization Trust Class A Series 2021-Z1	1.070%	8/15/25	106	104
2,4	Affirm Asset Securitization Trust Class A Series 2021-Z2	1.170%	11/16/26	166	161
2,4	Aligned Data Centers Issuer LLC Class A2 Series 2021-1A	1.937%	8/15/46	1,260	1,104
2,4,5	Angel Oak Mortgage Trust Class A1 Series 2019-5	2.593%	10/25/49	49	46
2,4,5	Angel Oak Mortgage Trust Class A1 Series 2019-6	2.620%	11/25/59	111	104
2,4,5	Angel Oak Mortgage Trust Class A1 Series 2021-6	1.458%	9/25/66	682	539
2,4,5	BX Commercial Mortgage Trust Class A Series 2021-VOLT, TSFR1M + 0.700%	5.893%	9/15/36	870	841
2,4,5	BX Trust Class A Series 2021-ARIA, TSFR1M + 0.899%	6.092%	10/15/36	425	411
2,4,5	BXHPP Trust Class A Series 2021-FILM, TSFR1M + 0.650%	5.843%	8/15/36	440	416
2,4,5	BXHPP Trust Class B Series 2021-FILM, TSFR1M + 0.900%	6.093%	8/15/36	95	88
2,4	Castlelake Aircraft Structured Trust Class A Series 2019-1A	3.967%	4/15/39	523	464
2,4	CF Hippolyta LLC Class A1 Series 2021-A1	1.530%	3/15/61	707	613
2,4	DB Master Finance LLC Class A2II Series 2019-1A	4.021%	5/20/49	390	365
2,4	Domino's Pizza Master Issuer LLC Class A2I Series 2021-1A	2.662%	4/25/51	265	226
2,4	Domino's Pizza Master Issuer LLC Class A2II Series 2021-1A	3.151%	4/25/51	730	598
2,3,5	Fannie Mae Connecticut Avenue Securities Class 2M2 Series 2016-C03, SOFR30A + 5.900%	11.050%	10/25/28	74	79
2,4	FirstKey Homes Trust Class A Series 2021-SFR1	1.538%	8/17/38	1,867	1,633
2,3	Freddie Mac Multifamily Structured Pass Through Certificates Class A2 Series K-1521	2.184%	8/25/36	495	371
2,3,5	Freddie Mac Multifamily Structured Pass Through Certificates Class A2 Series K-156	4.430%	4/25/60	885	881
2,3	Freddie Mac Multifamily Structured Pass Through Certificates Class A3 Series K-1512	3.059%	4/25/34	300	257
2,3	Freddie Mac Multifamily Structured Pass Through Certificates Class A3 Series K-1513	2.797%	8/25/34	300	252
2	GM Financial Consumer Automobile Receivables Trust Class A3 Series 2023-2	4.470%	2/16/28	290	285

Balanced Portfolio

		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
2,4	Home Partners of America Trust Class A Series 2021-2	1.901%	12/17/26	986	866
2,4	Horizon Aircraft Finance II Ltd. Class A Series 2019-1	3.721%	7/15/39	253	215
2,4	Horizon Aircraft Finance III Ltd. Class A Series 2019-2	3.425%	11/15/39	288	227
2,4,5	Life Mortgage Trust Class A Series 2021-BMR, TSFR1M + 0.814%	5.961%	3/15/38	290	283
2,4	MACH 1 Cayman Ltd. Class A Series 2019-1	3.474%	10/15/39	259	218
2,4	MAPS Ltd. Class A Series 2019-1A	4.458%	3/15/44	120	107
2,4	New Economy Assets Phase 1 Sponsor LLC Class A1 Series 2021-1	1.910%	10/20/61	2,875	2,461
2,4	New Economy Assets Phase 1 Sponsor LLC Class B1 Series 2021-1	2.410%	10/20/61	300	250
2,4	OneMain Direct Auto Receivables Trust Class A Series 2021-1A	0.870%	7/14/28	875	824
2,3	Seasoned Credit Risk Transfer Trust Class MA Series 2019-3	3.500%	10/25/58	683	654
2,4,5	SFAVE Commercial Mortgage Securities Trust Class A2B Series 2015-5AVE	4.144%	1/5/43	700	450
2,4	SoFi Professional Loan Program Trust Class AFX Series 2021-B	1.140%	2/15/47	430	357
2,4	START Ireland Class A Series 2019-1	4.089%	3/15/44	269	228
2,4	Taco Bell Funding LLC Class A2I Series 2021-1A	1.946%	8/25/51	561	485
2,4	Taco Bell Funding LLC Class A2II Series 2021-1A	2.294%	8/25/51	1,034	855
2,4	Vantage Data Centers Issuer LLC Class A2 Series 2019-1A	3.188%	7/15/44	313	301
2,4	Vantage Data Centers Issuer LLC Class A2 Series 2021-1A	2.165%	10/15/46	1,405	1,232
2,4	Vantage Data Centers LLC Class A2 Series 2020-1A	1.645%	9/15/45	855	767
2,4	Wheels Fleet Lease Funding 1 LLC Class A Series 2023-1A	5.800%	4/18/38	835	830

Total Asset-Backed/Commercial Mortgage-Backed Securities (Cost \$25,160) **22,086**

Corporate Bonds (22.1%)

Communications (1.4%)

	America Movil SAB de CV	3.625%	4/22/29	780	715
	America Movil SAB de CV	6.125%	3/30/40	390	415
	AT&T Inc.	2.750%	6/1/31	1,305	1,101
	AT&T Inc.	4.300%	12/15/42	205	174
	AT&T Inc.	3.650%	6/1/51	248	182
	AT&T Inc.	3.500%	9/15/53	895	634
	AT&T Inc.	3.850%	6/1/60	747	542
	Charter Communications Operating LLC / Charter Communications Operating Capital	3.500%	3/1/42	642	428
	Comcast Corp.	3.400%	4/1/30	145	133
	Comcast Corp.	4.200%	8/15/34	730	681
	Comcast Corp.	5.650%	6/15/35	110	115
	Comcast Corp.	4.400%	8/15/35	877	826
	Comcast Corp.	6.500%	11/15/35	24	27
	Comcast Corp.	3.969%	11/1/47	252	209
	Comcast Corp.	4.000%	3/1/48	345	288
	Comcast Corp.	3.999%	11/1/49	602	500
	Comcast Corp.	2.887%	11/1/51	1,520	1,019
	Comcast Corp.	2.450%	8/15/52	1,025	627
	Comcast Corp.	4.049%	11/1/52	2,279	1,896
	Comcast Corp.	5.350%	5/15/53	734	746
	Comcast Corp.	2.937%	11/1/56	5,619	3,660
	Comcast Corp.	2.650%	8/15/62	615	366
	Comcast Corp.	2.987%	11/1/63	2,193	1,389
4	Cox Communications Inc.	3.150%	8/15/24	63	61

		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
4	Cox Communications Inc.	4.800%	2/1/35	1,540	1,387
	Discovery Communications LLC	4.125%	5/15/29	125	115
	Discovery Communications LLC	3.625%	5/15/30	505	443
	Discovery Communications LLC	4.000%	9/15/55	1,597	1,058
	Meta Platforms Inc.	4.950%	5/15/33	1,534	1,532
	Meta Platforms Inc.	5.600%	5/15/53	935	960
	Meta Platforms Inc.	5.750%	5/15/63	480	496
	NBCUniversal Media LLC	4.450%	1/15/43	189	170
4	NBN Co. Ltd.	1.625%	1/8/27	760	674
4	NBN Co. Ltd.	2.625%	5/5/31	1,105	926
4	NBN Co. Ltd.	2.500%	1/8/32	2,179	1,787
4	NTT Finance Corp.	1.162%	4/3/26	1,040	930
4	NTT Finance Corp.	2.065%	4/3/31	285	235
4	Ooredoo International Finance Ltd.	2.625%	4/8/31	725	626
	Orange SA	9.000%	3/1/31	530	651
2,4	Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC	4.738%	9/20/29	569	561
	Telefonica Emisiones SA	5.213%	3/8/47	490	427
	Telefonica Emisiones SA	5.520%	3/1/49	710	640
	T-Mobile USA Inc.	2.050%	2/15/28	900	782
	T-Mobile USA Inc.	3.875%	4/15/30	1,384	1,276
	T-Mobile USA Inc.	2.550%	2/15/31	575	478
	T-Mobile USA Inc.	2.250%	11/15/31	150	120
	T-Mobile USA Inc.	4.375%	4/15/40	485	429
	T-Mobile USA Inc.	3.000%	2/15/41	151	110
	T-Mobile USA Inc.	4.500%	4/15/50	242	208
	TWDC Enterprises 18 Corp.	4.375%	8/16/41	133	121
	TWDC Enterprises 18 Corp.	4.125%	6/1/44	95	83
	Verizon Communications Inc.	4.329%	9/21/28	419	404
	Verizon Communications Inc.	2.355%	3/15/32	2,400	1,930
	Verizon Communications Inc.	4.812%	3/15/39	1,280	1,198
	Walt Disney Co.	2.000%	9/1/29	2,600	2,213
	Walt Disney Co.	3.500%	5/13/40	1,490	1,229
	Walt Disney Co.	4.750%	9/15/44	26	25
	Walt Disney Co.	2.750%	9/1/49	560	379
	Walt Disney Co.	3.600%	1/13/51	2,806	2,233
	Warnermedia Holdings Inc.	3.755%	3/15/27	302	282
	Warnermedia Holdings Inc.	4.054%	3/15/29	150	137

Consumer Discretionary (0.9%)

	Amazon.com Inc.	2.800%	8/22/24	220	214
	Amazon.com Inc.	3.600%	4/13/32	2,300	2,144
	Amazon.com Inc.	4.800%	12/5/34	995	1,016
	Amazon.com Inc.	4.950%	12/5/44	580	587
	Amazon.com Inc.	3.950%	4/13/52	480	417
	Amazon.com Inc.	4.250%	8/22/57	1,223	1,103
	American Honda Finance Corp.	2.000%	3/24/28	825	724
4	BMW US Capital LLC	0.800%	4/1/24	390	376
4	BMW US Capital LLC	1.250%	8/12/26	840	749
2	Duke University	2.832%	10/1/55	775	540
4	ERAC USA Finance LLC	4.900%	5/1/33	985	963
4	ERAC USA Finance LLC	7.000%	10/15/37	1,150	1,312
4	ERAC USA Finance LLC	5.625%	3/15/42	340	340
4	ERAC USA Finance LLC	4.500%	2/15/45	1,669	1,457
4	ERAC USA Finance LLC	5.400%	5/1/53	725	724
	General Motors Financial Co. Inc.	3.950%	4/13/24	1,570	1,545
	Georgetown University	4.315%	4/1/49	150	132
	Georgetown University	2.943%	4/1/50	295	202
	Georgetown University	5.115%	4/1/53	410	409
	Home Depot Inc.	3.900%	12/6/28	290	281
	Home Depot Inc.	3.250%	4/15/32	370	333
	Home Depot Inc.	4.500%	9/15/32	575	568
	Home Depot Inc.	3.300%	4/15/40	825	670
	Home Depot Inc.	4.400%	3/15/45	780	711
	Home Depot Inc.	4.250%	4/1/46	1,332	1,181
	Home Depot Inc.	4.500%	12/6/48	345	320
	Home Depot Inc.	3.125%	12/15/49	75	55
	Home Depot Inc.	2.375%	3/15/51	70	43

43,989

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
	Home Depot Inc.	2.750%	9/15/51	575	388				
	Home Depot Inc.	3.625%	4/15/52	655	522				
	Home Depot Inc.	4.950%	9/15/52	1,215	1,206				
4	Hyundai Capital America	0.875%	6/14/24	1,875	1,788				
4	Hyundai Capital America	1.650%	9/17/26	1,060	935				
2	Johns Hopkins University	4.083%	7/1/53	200	177				
2	Johns Hopkins University	2.813%	1/1/60	180	118				
	Lowe's Cos. Inc.	3.100%	5/3/27	767	716				
	Lowe's Cos. Inc.	6.500%	3/15/29	334	358				
	Lowe's Cos. Inc.	3.750%	4/1/32	57	52				
	McDonald's Corp.	3.250%	6/10/24	140	137				
	McDonald's Corp.	3.625%	9/1/49	342	270				
2	Northeastern University	2.894%	10/1/50	225	155				
	Thomas Jefferson University	3.847%	11/1/57	690	503				
2	University of Chicago	2.761%	4/1/45	165	126				
	University of Miami	4.063%	4/1/52	90	77				
	VF Corp.	2.800%	4/23/27	455	411				
				27,055					
Consumer Staples (1.0%)									
	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.700%	2/1/36	1,290	1,256				
	Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc.	4.900%	2/1/46	1,393	1,330				
	Anheuser-Busch InBev Worldwide Inc.	4.375%	4/15/38	543	504				
	Anheuser-Busch InBev Worldwide Inc.	4.950%	1/15/42	1,807	1,763				
	Anheuser-Busch InBev Worldwide Inc.	5.800%	1/23/59	77	84				
	Archer-Daniels-Midland Co.	4.500%	3/15/49	970	898				
4	Bacardi Ltd. / Bacardi-Martini BV	5.250%	1/15/29	170	169				
4	Bacardi Ltd. / Bacardi-Martini BV	5.900%	6/15/43	155	156				
4	Cargill Inc.	6.875%	5/1/28	645	678				
4	Cargill Inc.	4.760%	11/23/45	635	596				
4	CK Hutchison International 20 Ltd.	3.375%	5/8/50	560	427				
4	Coca-Cola Europacific Partners plc	0.800%	5/3/24	885	848				
	Colgate Palmolive Co.	7.600%	5/19/25	480	504				
	Conagra Brands Inc.	5.300%	11/1/38	150	144				
4	Danone SA	2.947%	11/2/26	735	688				
	Diageo Capital plc	2.375%	10/24/29	2,108	1,830				
	Estee Lauder Cos. Inc.	5.150%	5/15/53	601	611				
	Estee Lauder Cos. Inc.	4.650%	5/15/33	750	738				
	Hormel Foods Corp.	1.700%	6/3/28	135	117				
4	Kenvue Inc.	5.000%	3/22/30	1,025	1,034				
4	Kenvue Inc.	5.100%	3/22/43	460	467				
4	Kenvue Inc.	5.050%	3/22/53	500	510				
	Kroger Co.	4.000%	2/1/24	540	535				
	Molson Coors Beverage Co.	3.000%	7/15/26	1,800	1,682				
	PepsiCo Inc.	2.375%	10/6/26	1,795	1,684				
	Philip Morris International Inc.	3.600%	11/15/23	620	615				
	Philip Morris International Inc.	3.375%	8/11/25	424	408				
	Philip Morris International Inc.	5.125%	11/17/27	840	843				
	Philip Morris International Inc.	5.625%	11/17/29	1,160	1,182				
	Philip Morris International Inc.	5.125%	2/15/30	2,740	2,710				
	Philip Morris International Inc.	5.750%	11/17/32	1,470	1,507				
	Philip Morris International Inc.	5.375%	2/15/33	3,436	3,430				
	Philip Morris International Inc.	4.875%	11/15/43	145	130				
4	Sigma Alimentos SA de CV	4.125%	5/2/26	510	487				
				30,565					
Energy (1.2%)									
4	Aker BP ASA	6.000%	6/13/33	520	520				
	BP Capital Markets America Inc.	1.749%	8/10/30	345	283				
	BP Capital Markets America Inc.	2.721%	1/12/32	3,210	2,728				
	BP Capital Markets America Inc.	4.812%	2/13/33	1,180	1,164				
	BP Capital Markets America Inc.	4.893%	9/11/33	1,240	1,228				
	BP Capital Markets America Inc.	2.772%	11/10/50	470	312				
	BP Capital Markets America Inc.	2.939%	6/4/51	925	634				
	BP Capital Markets America Inc.	3.001%	3/17/52	1,306	903				
	BP Capital Markets America Inc.	3.379%	2/8/61	370	263				
4	Cheniere Energy Partners LP	5.950%	6/30/33	685	688				
	Eastern Gas Transmission & Storage Inc.	3.000%	11/15/29	585	510				
	Eastern Gas Transmission & Storage Inc.	4.800%	11/1/43	125	109				
	Eastern Gas Transmission & Storage Inc.	4.600%	12/15/44	1,603	1,347				
4	ELG Pearl Holdings Sarl	3.545%	8/31/36	1,260	1,077				
4	ELG Pearl Holdings Sarl	4.387%	11/30/46	470	370				
	Energy Transfer LP	5.250%	4/15/29	1,375	1,342				
	Energy Transfer LP	5.350%	5/15/45	90	79				
	Energy Transfer LP	5.300%	4/15/47	155	135				
	Enterprise Products Operating LLC	5.100%	2/15/45	280	267				
	Enterprise Products Operating LLC	4.250%	2/15/48	730	619				
	Enterprise Products Operating LLC	3.700%	1/31/51	170	130				
	Enterprise Products Operating LLC	3.300%	2/15/53	750	537				
	Equinor ASA	2.650%	1/15/24	360	354				
	Equinor ASA	3.700%	3/1/24	640	632				
	Equinor ASA	3.250%	11/10/24	655	636				
	Equinor ASA	2.875%	4/6/25	140	134				
	Equinor ASA	3.125%	4/6/30	2,350	2,154				
	Equinor ASA	2.375%	5/22/30	335	291				
	Exxon Mobil Corp.	3.043%	3/1/26	225	215				
	Exxon Mobil Corp.	2.275%	8/16/26	1,070	993				
	Exxon Mobil Corp.	2.440%	8/16/29	511	455				
	Exxon Mobil Corp.	2.610%	10/15/30	1,055	927				
	Exxon Mobil Corp.	4.114%	3/1/46	320	282				
4	Galaxy Pipeline Assets Bidco Ltd.	2.160%	3/31/34	1,286	1,094				
4	Galaxy Pipeline Assets Bidco Ltd.	2.940%	9/30/40	1,069	859				
2,4	Greensaif Pipelines Bidco Sarl	6.129%	2/23/38	775	791				
2,4	Greensaif Pipelines Bidco Sarl	6.510%	2/23/42	825	856				
4	QatarEnergy	2.250%	7/12/31	925	776				
4	QatarEnergy	3.125%	7/12/41	675	516				
4	Saudi Arabian Oil Co.	3.500%	4/16/29	630	581				
4	Schlumberger Holdings Corp.	3.900%	5/17/28	807	760				
	Schlumberger Investment SA	3.650%	12/1/23	1,120	1,110				
	Shell International Finance BV	4.125%	5/11/35	1,130	1,051				
	Shell International Finance BV	5.500%	3/25/40	345	361				
	Shell International Finance BV	4.375%	5/11/45	2,500	2,253				
	Shell International Finance BV	3.000%	11/26/51	2,255	1,597				
	Suncor Energy Inc.	5.950%	12/1/34	500	502				
	Total Energies Capital International SA	3.750%	4/10/24	1,400	1,379				
	TransCanada PipeLines Ltd.	4.875%	1/15/26	1,255	1,241				
	TransCanada PipeLines Ltd.	4.100%	4/15/30	415	386				
									38,431
Financials (9.4%)									
	AerCap Ireland Capital DAC / AerCap Global Aviation Trust	3.000%	10/29/28	480	416				
	AerCap Ireland Capital DAC / AerCap Global Aviation Trust	3.400%	10/29/33	325	262				
4	AIA Group Ltd.	3.375%	4/7/30	370	339				
	Allstate Corp.	5.250%	3/30/33	540	538				
	American Express Co.	5.043%	5/1/34	1,605	1,570				
	American International Group Inc.	6.250%	5/1/36	245	255				
	American International Group Inc.	4.800%	7/10/45	260	232				
	American International Group Inc.	4.750%	4/1/48	640	574				
	American International Group Inc.	4.375%	6/30/50	375	317				
	Ameriprise Financial Inc.	4.500%	5/13/32	335	321				
	Ameriprise Financial Inc.	5.150%	5/15/33	730	726				
	Aon Corp. / Aon Global Holdings plc	2.850%	5/28/27	550	504				
4	Athene Global Funding	1.000%	4/16/24	685	655				
4	Athene Global Funding	1.985%	8/19/28	10	8				
4	Athene Global Funding	2.717%	1/7/29	980	796				
4	Australia & New Zealand Banking Group Ltd.	2.570%	11/25/35	685	520				
4	Aviation Capital Group LLC	1.950%	9/20/26	415	360				

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Banco Santander SA	1.849%	3/25/26	1,000	895		Citigroup Inc.	3.878%	1/24/39	1,025	858
Banco Santander SA	2.749%	12/3/30	200	156		Citigroup Inc.	2.904%	11/3/42	560	397
Banco Santander SA	2.958%	3/25/31	200	165	4	CNO Global Funding	1.650%	1/6/25	260	242
Bank of America Corp.	4.271%	7/23/29	4,780	4,533	4	CNO Global Funding	2.650%	1/6/29	370	313
Bank of America Corp.	3.974%	2/7/30	1,895	1,757	4	Commonwealth Bank of Australia	2.688%	3/11/31	2,285	1,786
Bank of America Corp.	3.194%	7/23/30	1,055	931	4	Cooperatieve Rabobank UA	1.106%	2/24/27	1,365	1,205
Bank of America Corp.	2.496%	2/13/31	1,495	1,251	4	Cooperatieve Rabobank UA	4.655%	8/22/28	625	600
Bank of America Corp.	2.572%	10/20/32	490	399		Corebridge Financial Inc.	3.900%	4/5/32	1,810	1,576
Bank of America Corp.	4.571%	4/27/33	4,178	3,926		Corebridge Financial Inc.	4.350%	4/5/42	105	85
Bank of America Corp.	3.846%	3/8/37	1,323	1,130		Corebridge Financial Inc.	4.400%	4/5/52	315	242
Bank of America Corp.	5.875%	2/7/42	260	277	4	Corebridge Global Funding	5.750%	7/2/26	595	593
Bank of America Corp.	3.311%	4/22/42	870	663	4	Credit Agricole SA	3.250%	10/4/24	2,390	2,303
Bank of America Corp.	5.000%	1/21/44	1,000	963	4	Credit Agricole SA	5.589%	7/5/26	1,200	1,199
Bank of America Corp.	4.330%	3/15/50	2,235	1,921		Credit Suisse AG	7.500%	2/15/28	1,195	1,270
Bank of America Corp.	2.972%	7/21/52	1,225	831	4	Credit Suisse Group AG	1.305%	2/2/27	545	477
Bank of New York Mellon Corp.	5.834%	10/25/33	404	421	4	Credit Suisse Group AG	3.091%	5/14/32	1,195	965
Bank of New York Mellon Corp.	4.706%	2/1/34	450	432	4	Credit Suisse Group AG	6.537%	8/12/33	485	496
Bank of New York Mellon Corp.	4.967%	4/26/34	1,130	1,103	4	Danske Bank A/S	3.875%	9/12/23	1,220	1,214
Bank of Nova Scotia	2.700%	8/3/26	1,825	1,690	4	Danske Bank A/S	5.375%	1/12/24	795	790
Bank of Nova Scotia	1.950%	2/2/27	360	321	4	Danske Bank A/S	1.621%	9/11/26	855	767
4 Banque Federative du Credit Mutuel SA	1.604%	10/4/26	1,000	881	4	Danske Bank A/S	1.549%	9/10/27	1,605	1,395
Barclays plc	3.932%	5/7/25	1,565	1,530	4	Deutsche Bank AG	6.720%	1/18/29	305	306
Barclays plc	2.852%	5/7/26	220	206	4	DNB Bank ASA	1.535%	5/25/27	960	845
Barclays plc	2.279%	11/24/27	400	352	4	DNB Bank ASA	1.605%	3/30/28	1,330	1,148
Barclays plc	2.667%	3/10/32	1,070	841		Equitable Financial Life Global Funding	1.400%	7/7/25	370	337
Barclays plc	3.330%	11/24/42	465	326	4	Equitable Financial Life Global Funding	1.300%	7/12/26	825	719
Berkshire Hathaway Finance Corp.	2.875%	3/15/32	150	132	4	Equitable Financial Life Global Funding	1.700%	11/12/26	365	318
Berkshire Hathaway Inc.	3.125%	3/15/26	715	689	4	Equitable Financial Life Global Funding	1.400%	8/27/27	535	450
BlackRock Inc.	2.100%	2/25/32	605	488		Equitable Financial Life Global Funding	1.800%	3/8/28	870	736
BlackRock Inc.	4.750%	5/25/33	2,125	2,090	4	Equitable Financial Life Global Funding	4.055%	4/25/28	325	298
4 Blackstone Holdings Finance Co. LLC	2.550%	3/30/32	605	472		Equitable Financial Life Global Funding	4.337%	4/25/33	215	190
4 BNP Paribas SA	2.819%	11/19/25	1,335	1,272	4	Fifth Third Bancorp	4.419%	11/15/23	210	208
4 BNP Paribas SA	1.323%	1/13/27	585	519	4	Fifth Third Bancorp	5.791%	2/15/33	810	823
4 BNP Paribas SA	3.500%	11/16/27	2,050	1,887	4	Five Corners Funding Trust	5.997%	2/15/53	1,480	1,506
4 BNP Paribas SA	2.591%	1/20/28	885	791	4	Five Corners Funding Trust III	1.000%	4/8/24	750	715
4 BNP Paribas SA	5.335%	6/12/29	1,095	1,081	4	GA Global Funding Trust	3.272%	9/29/25	1,205	1,165
4 BNP Paribas SA	2.159%	9/15/29	1,743	1,451	4	GA Global Funding Trust	3.500%	11/16/26	2,000	1,877
4 BPCE SA	5.700%	10/22/23	270	269		Goldman Sachs Group Inc.	3.850%	1/26/27	740	705
4 BPCE SA	4.000%	4/15/24	775	763		Goldman Sachs Group Inc.	1.431%	3/9/27	2,190	1,958
4 BPCE SA	5.150%	7/21/24	1,260	1,237		Goldman Sachs Group Inc.	1.542%	9/10/27	1,165	1,025
4 BPCE SA	5.029%	1/15/25	2,220	2,180		Goldman Sachs Group Inc.	3.691%	6/5/28	810	761
4 BPCE SA	3.500%	10/23/27	1,780	1,612		Goldman Sachs Group Inc.	3.814%	4/23/29	3,065	2,848
4 BPCE SA	2.700%	10/1/29	1,450	1,232		Goldman Sachs Group Inc.	4.223%	5/1/29	2,630	2,485
4 Brighthouse Financial Global Funding	1.000%	4/12/24	65	62		Goldman Sachs Group Inc.	3.800%	3/15/30	40	37
4 Brighthouse Financial Global Funding	1.750%	1/13/25	505	471		Goldman Sachs Group Inc.	2.615%	4/22/32	3,130	2,566
4 Brighthouse Financial Global Funding	1.550%	5/24/26	525	465		Goldman Sachs Group Inc.	2.383%	7/21/32	1,040	832
4 Brighthouse Financial Global Funding	2.000%	6/28/28	520	435		Goldman Sachs Group Inc.	2.650%	10/21/32	625	509
4 Canadian Imperial Bank of Commerce	1.150%	7/8/26	1,005	895	4	Goldman Sachs Group Inc.	3.102%	2/24/33	2,541	2,147
Capital One Financial Corp.	3.750%	4/24/24	1,305	1,279		Goldman Sachs Group Inc.	6.750%	10/1/37	835	898
Capital One Financial Corp.	3.200%	2/5/25	760	726		Guardian Life Global Funding	1.250%	5/13/26	205	182
Capital One Financial Corp.	6.312%	6/8/29	370	368		HSBC Holdings plc	0.976%	5/24/25	300	285
Capital One Financial Corp.	6.377%	6/8/34	816	810		HSBC Holdings plc	1.589%	5/24/27	805	711
Charles Schwab Corp.	0.750%	3/18/24	1,350	1,302		HSBC Holdings plc	2.251%	11/22/27	2,165	1,921
Charles Schwab Corp.	3.200%	3/2/27	545	504		HSBC Holdings plc	4.041%	3/13/28	890	836
Charles Schwab Corp.	2.000%	3/20/28	1,100	951		HSBC Holdings plc	7.390%	11/3/28	1,340	1,415
Charles Schwab Corp.	2.900%	3/3/32	875	723		HSBC Holdings plc	4.583%	6/19/29	1,675	1,577
Charles Schwab Corp.	5.853%	5/19/34	695	705		HSBC Holdings plc	2.206%	8/17/29	1,440	1,205
Chubb INA Holdings Inc.	3.350%	5/15/24	555	544		HSBC Holdings plc	2.357%	8/18/31	1,625	1,299
Chubb INA Holdings Inc.	4.350%	11/3/45	800	724		HSBC Holdings plc	2.804%	5/24/32	1,555	1,259
Citigroup Inc.	0.981%	5/1/25	1,190	1,139		HSBC Holdings plc	2.871%	11/22/32	2,125	1,717
Citigroup Inc.	1.462%	6/9/27	1,213	1,077		HSBC Holdings plc	5.402%	8/11/33	770	752
Citigroup Inc.	3.070%	2/24/28	1,000	920		HSBC Holdings plc	6.500%	5/2/36	900	934
Citigroup Inc.	3.520%	10/27/28	1,975	1,835		HSBC Holdings plc	6.100%	1/14/42	300	318
						Huntington National Bank	4.552%	5/17/28	320	299
						ING Groep NV	3.950%	3/29/27	2,695	2,555

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
ING Groep NV	1.726%	4/1/27	500	445		Morgan Stanley	5.948%	1/19/38	825	814
Intercontinental Exchange Inc.	4.000%	9/15/27	3,545	3,454		Morgan Stanley	4.300%	1/27/45	850	744
Intercontinental Exchange Inc.	4.350%	6/15/29	255	250		Nasdaq Inc.	5.550%	2/15/34	530	532
Intercontinental Exchange Inc.	1.850%	9/15/32	180	139		Nasdaq Inc.	3.950%	3/7/52	540	415
Intercontinental Exchange Inc.	4.600%	3/15/33	1,140	1,105		Nasdaq Inc.	5.950%	8/15/53	185	189
Intercontinental Exchange Inc.	2.650%	9/15/40	170	121		Nasdaq Inc.	6.100%	6/28/63	135	138
Intercontinental Exchange Inc.	3.000%	6/15/50	1,010	701		National Australia Bank Ltd.	3.905%	6/9/27	885	849
Intercontinental Exchange Inc.	4.950%	6/15/52	1,266	1,208	4	National Australia Bank Ltd.	2.332%	8/21/30	2,140	1,665
Intercontinental Exchange Inc.	3.000%	9/15/60	850	555	4	National Australia Bank Ltd.	2.990%	5/21/31	2,227	1,778
4 JAB Holdings BV	2.200%	11/23/30	290	228	4	National Australia Bank Ltd.	3.347%	1/12/37	1,252	988
4 JAB Holdings BV	3.750%	5/28/51	500	336	4	National Securities Clearing Corp.	5.100%	11/21/27	1,565	1,559
4 JAB Holdings BV	4.500%	4/8/52	860	661	4	Nationwide Financial Services Inc.	3.900%	11/30/49	1,430	1,041
4 Jackson National Life Global Funding	1.750%	1/12/25	555	515	4	Nationwide Mutual Insurance Co.	4.350%	4/30/50	1,520	1,158
JPMorgan Chase & Co.	3.875%	2/1/24	800	792		NatWest Group plc	1.642%	6/14/27	870	766
JPMorgan Chase & Co.	3.900%	7/15/25	2,270	2,213	4	NatWest Markets plc	0.800%	8/12/24	670	631
JPMorgan Chase & Co.	2.069%	6/1/29	740	635	4	NBK SPC Ltd.	1.625%	9/15/27	1,975	1,764
JPMorgan Chase & Co.	4.452%	12/5/29	2,100	2,015	4	New York Life Global Funding	2.900%	1/17/24	810	798
JPMorgan Chase & Co.	3.702%	5/6/30	2,525	2,318	4	New York Life Insurance Co.	5.875%	5/15/33	2,100	2,172
JPMorgan Chase & Co.	4.912%	7/25/33	6,633	6,485	4	New York Life Insurance Co.	3.750%	5/15/50	345	263
JPMorgan Chase & Co.	5.350%	6/1/34	3,212	3,243	4	New York Life Insurance Co.	4.450%	5/15/69	435	363
JPMorgan Chase & Co.	3.109%	4/22/41	835	632	4	Nordea Bank Abp	1.500%	9/30/26	1,900	1,661
JPMorgan Chase & Co.	5.400%	1/6/42	750	760		Northwestern Mutual Life Insurance Co.	3.850%	9/30/47	696	542
JPMorgan Chase & Co.	3.157%	4/22/42	560	423	4	Northwestern Mutual Life Insurance Co.	3.625%	9/30/59	270	191
JPMorgan Chase & Co.	3.964%	11/15/48	6,150	5,031		Pacific Life Global Funding II	1.375%	4/14/26	795	710
JPMorgan Chase & Co.	3.109%	4/22/51	845	591	4	Pacific LifeCorp	5.400%	9/15/52	500	481
4 KBC Group NV	5.796%	1/19/29	235	234	4	Penske Truck Leasing Co. LP / PTL Finance Corp.	3.450%	7/1/24	465	453
4 Liberty Mutual Group Inc.	4.569%	2/1/29	280	265		Penske Truck Leasing Co. LP / PTL Finance Corp.	2.700%	11/1/24	385	367
4 Liberty Mutual Group Inc.	5.500%	6/15/52	1,709	1,609	4	Penske Truck Leasing Co. LP / PTL Finance Corp.	3.950%	3/10/25	1,435	1,380
4 LSEGA Financing plc	1.375%	4/6/26	1,555	1,387		Penske Truck Leasing Co. LP / PTL Finance Corp.	4.450%	1/29/26	925	887
4 LSEGA Financing plc	2.000%	4/6/28	630	540	4	Penske Truck Leasing Co. LP / PTL Finance Corp.	5.875%	11/15/27	1,370	1,357
4 LSEGA Financing plc	2.500%	4/6/31	1,110	926		PNC Bank NA	5.700%	2/1/28	1,290	1,275
4 Macquarie Group Ltd.	1.935%	4/14/28	1,245	1,077	4	PNC Bank NA	3.300%	10/30/24	460	444
4 Macquarie Group Ltd.	2.871%	1/14/33	1,628	1,300		PNC Bank NA	2.950%	2/23/25	1,105	1,052
Manufacturers & Traders Trust Co.	2.900%	2/6/25	685	647		PNC Bank NA	3.100%	10/25/27	1,165	1,067
Manufacturers & Traders Trust Co.	4.700%	1/27/28	1,742	1,643		PNC Bank NA	3.250%	1/22/28	1,675	1,539
Marsh & McLennan Cos. Inc.	4.375%	3/15/29	675	656	4	Prcoa Global Funding I	5.100%	5/30/28	1,058	1,047
Marsh & McLennan Cos. Inc.	4.900%	3/15/49	305	287		Principal Life Global Funding II	2.500%	9/16/29	1,000	845
Marsh & McLennan Cos. Inc.	2.900%	12/15/51	560	376		Progressive Corp.	4.950%	6/15/33	1,694	1,682
Marsh & McLennan Cos. Inc.	5.450%	3/15/53	240	245		Protective Life Global Funding	4.714%	7/6/27	750	729
4 Massachusetts Mutual Life Insurance Co.	7.625%	11/15/23	1,000	1,005	4	Prudential Financial Inc.	4.350%	2/25/50	1,856	1,577
4 Massachusetts Mutual Life Insurance Co.	3.200%	12/1/61	590	380		RGA Global Funding	2.700%	1/18/29	425	366
MetLife Inc.	3.600%	4/10/24	580	571	4	Royal Bank of Canada	5.000%	2/1/33	1,500	1,470
MetLife Inc.	4.125%	8/13/42	145	122		Standard Chartered plc	1.214%	3/23/25	285	274
MetLife Inc.	4.875%	11/13/43	530	490	4	Standard Chartered plc	6.301%	1/9/29	990	995
MetLife Inc.	5.000%	7/15/52	387	365		State Street Corp.	4.821%	1/26/34	450	437
4 Metropolitan Life Global Funding I	3.450%	12/18/26	640	599	4	Sumitomo Mitsui Trust Bank Ltd.	0.850%	3/25/24	2,000	1,927
4 Metropolitan Life Global Funding I	4.400%	6/30/27	300	291		Svenska Handelsbanken AB	1.418%	6/11/27	1,875	1,644
4 Metropolitan Life Global Funding I	3.000%	9/19/27	1,165	1,069	4	Teachers Insurance & Annuity Assn. of America	4.900%	9/15/44	915	827
4 Metropolitan Life Global Funding I	4.300%	8/25/29	440	416		Teachers Insurance & Annuity Assn. of America	4.270%	5/15/47	1,145	948
4 Metropolitan Life Global Funding I	2.400%	1/11/32	1,410	1,150	4	Temasek Financial I Ltd.	3.625%	8/1/28	1,025	984
4 Metropolitan Life Global Funding I	5.150%	3/28/33	520	513		Temasek Financial I Ltd.	2.375%	8/2/41	1,345	1,037
Mitsubishi UFJ Financial Group Inc.	5.017%	7/20/28	815	799	4	Temasek Financial I Ltd.	2.250%	4/6/51	315	214
Morgan Stanley	3.700%	10/23/24	750	732		Toronto-Dominion Bank	4.456%	6/8/32	332	315
Morgan Stanley	2.720%	7/22/25	1,750	1,688		Truist Financial Corp.	3.700%	6/5/25	1,385	1,328
Morgan Stanley	2.630%	2/18/26	1,805	1,713	4	Truist Financial Corp.	4.873%	1/26/29	1,080	1,038
Morgan Stanley	3.125%	7/27/26	1,345	1,260		UBS AG	1.250%	6/1/26	985	866
Morgan Stanley	6.250%	8/9/26	3,000	3,063	4	UBS Group AG	3.750%	3/26/25	2,147	2,056
Morgan Stanley	3.625%	1/20/27	1,250	1,187	4	UBS Group AG	1.494%	8/10/27	1,160	997
Morgan Stanley	3.772%	1/24/29	3,910	3,652		UBS Group AG	2.095%	2/11/32	720	544
Morgan Stanley	2.699%	1/22/31	1,105	941	4	UBS Group AG	2.746%	2/11/33	330	256
Morgan Stanley	2.239%	7/21/32	1,805	1,435						
Morgan Stanley	2.511%	10/20/32	615	496						
Morgan Stanley	2.943%	1/21/33	920	765						
Morgan Stanley	4.889%	7/20/33	2,891	2,781						
Morgan Stanley	2.484%	9/16/36	1,475	1,116						
Morgan Stanley	5.297%	4/20/37	270	255						

Balanced Portfolio

		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
4	UBS Group AG	3.179%	2/11/43	855	594		Elevance Health Inc.	6.100%	10/15/52	75	82
4	UniCredit SpA	1.982%	6/3/27	1,015	894		Eli Lilly & Co.	4.875%	2/27/53	270	277
4	UniCredit SpA	3.127%	6/3/32	1,000	795		Eli Lilly & Co.	4.950%	2/27/63	235	240
	US Bancorp	3.700%	1/30/24	1,560	1,540		Gilead Sciences Inc.	2.600%	10/1/40	780	565
	US Bancorp	2.677%	1/27/33	475	381		Gilead Sciences Inc.	4.500%	2/1/45	290	264
	US Bancorp	2.491%	11/3/36	1,338	980		Gilead Sciences Inc.	4.150%	3/1/47	1,640	1,424
	Wachovia Corp.	7.500%	4/15/35	1,000	1,132		Gilead Sciences Inc.	2.800%	10/1/50	503	341
	Wells Fargo & Co.	4.480%	1/16/24	1,199	1,189		GlaxoSmithKline Capital Inc.	5.375%	4/15/34	2,000	2,111
	Wells Fargo & Co.	3.750%	1/24/24	1,560	1,541		Indiana University Health Inc.				
	Wells Fargo & Co.	3.000%	2/19/25	890	855		Obligated Group	2.852%	11/1/51	365	244
	Wells Fargo & Co.	3.550%	9/29/25	860	825		Inova Health System Foundation	4.068%	5/15/52	475	405
	Wells Fargo & Co.	3.000%	4/22/26	1,045	984		Kaiser Foundation Hospitals	3.150%	5/1/27	380	357
	Wells Fargo & Co.	3.000%	10/23/26	170	158		Kaiser Foundation Hospitals	2.810%	6/1/41	1,130	829
	Wells Fargo & Co.	3.196%	6/17/27	1,705	1,602		Kaiser Foundation Hospitals	3.002%	6/1/51	1,105	775
	Wells Fargo & Co.	3.526%	3/24/28	1,230	1,150		Mass General Brigham Inc.	3.192%	7/1/49	535	389
	Wells Fargo & Co.	2.879%	10/30/30	435	376		Mass General Brigham Inc.	3.342%	7/1/60	955	669
	Wells Fargo & Co.	2.572%	2/11/31	2,235	1,894		Memorial Sloan-Kettering Cancer Center	2.955%	1/1/50	590	410
	Wells Fargo & Co.	3.350%	3/2/33	235	201		Memorial Sloan-Kettering Cancer Center				
	Wells Fargo & Co.	4.897%	7/25/33	5,676	5,441		Merck & Co. Inc.	4.125%	7/1/52	310	263
	Wells Fargo & Co.	5.389%	4/24/34	325	323		Merck & Co. Inc.	3.400%	3/7/29	1,320	1,237
	Wells Fargo & Co.	5.606%	1/15/44	2,316	2,222		Merck & Co. Inc.	4.150%	5/18/43	760	693
	Wells Fargo & Co.	4.900%	11/17/45	515	453		Merck & Co. Inc.	4.000%	3/7/49	1,915	1,693
	Wells Fargo & Co.	4.750%	12/7/46	2,070	1,761		Novartis Capital Corp.	3.400%	5/6/24	415	408
	Wells Fargo & Co.	4.611%	4/25/53	1,245	1,092		Novartis Capital Corp.	4.400%	5/6/44	640	614
					294,565		OhioHealth Corp.	2.297%	11/15/31	760	618
Health Care (2.0%)							OhioHealth Corp.	2.834%	11/15/41	485	351
	AbbVie Inc.	3.800%	3/15/25	575	559		Pfizer Inc.	3.000%	12/15/26	725	685
	AdventHealth Obligated Group	2.795%	11/15/51	900	593		Pfizer Inc.	3.450%	3/15/29	2,165	2,038
	Advocate Health & Hospitals Corp.	2.211%	6/15/30	360	302		Pfizer Inc.	4.100%	9/15/38	1,505	1,369
	Advocate Health & Hospitals Corp.	3.008%	6/15/50	540	372		Pfizer Investment Enterprises Pte Ltd.	4.750%	5/19/33	1,045	1,042
4	Alcon Finance Corp.	2.750%	9/23/26	200	184		Pfizer Investment Enterprises Pte Ltd.				
4	Alcon Finance Corp.	2.600%	5/27/30	200	171		Pfizer Investment Enterprises Pte Ltd.	5.110%	5/19/43	1,000	1,000
4	Alcon Finance Corp.	5.375%	12/6/32	255	258		Pfizer Investment Enterprises Pte Ltd.	5.300%	5/19/53	1,005	1,046
4	Alcon Finance Corp.	3.800%	9/23/49	305	236		Piedmont Healthcare Inc.	2.044%	1/1/32	255	200
4	Alcon Finance Corp.	5.750%	12/6/52	200	211		Piedmont Healthcare Inc.	2.719%	1/1/42	255	176
	Amgen Inc.	4.400%	5/1/45	147	127		Piedmont Healthcare Inc.	2.864%	1/1/52	340	220
	Amgen Inc.	4.200%	2/22/52	547	453		Providence St. Joseph Health Obligated Group	2.532%	10/1/29	985	829
	Amgen Inc.	5.750%	3/2/63	420	427		Providence St. Joseph Health Obligated Group	3.930%	10/1/48	325	256
	Ascension Health	2.532%	11/15/29	1,405	1,208		Providence St. Joseph Health Obligated Group				
2	Ascension Health	4.847%	11/15/53	50	49	2	Roche Holdings Inc.	2.700%	10/1/51	1,000	599
	AstraZeneca plc	4.000%	1/17/29	2,270	2,195		Rush Obligated Group	2.607%	12/13/51	305	207
	AstraZeneca plc	6.450%	9/15/37	615	706		SSM Health Care Corp.	3.922%	11/15/29	330	304
	Banner Health	2.907%	1/1/42	910	665		SSM Health Care Corp.	3.823%	6/1/27	940	877
4	Bayer US Finance II LLC	4.250%	12/15/25	1,100	1,059		Sutter Health	2.294%	8/15/30	560	463
4	Bayer US Finance LLC	3.375%	10/8/24	815	789	4	Thermo Fisher Scientific Inc.	1.750%	10/15/28	260	224
	Beth Israel Lahey Health Inc.	3.080%	7/1/51	255	164		Thermo Fisher Scientific Inc.	2.000%	10/15/31	560	456
	Bon Secours Mercy Health Inc.	4.302%	7/1/28	570	543		Thermo Fisher Scientific Inc.	4.950%	11/21/32	383	390
2	Bon Secours Mercy Health Inc.	3.464%	6/1/30	590	529		Toledo Hospital	5.750%	11/15/38	545	530
	Bon Secours Mercy Health Inc.	2.095%	6/1/31	330	263		UnitedHealth Group Inc.	3.850%	6/15/28	1,190	1,141
	Bristol-Myers Squibb Co.	3.550%	3/15/42	1,785	1,478		UnitedHealth Group Inc.	2.000%	5/15/30	275	232
	Bristol-Myers Squibb Co.	4.550%	2/20/48	169	158		UnitedHealth Group Inc.	2.300%	5/15/31	435	368
	Cedars-Sinai Health System	2.288%	8/15/31	1,330	1,094		UnitedHealth Group Inc.	4.200%	5/15/32	335	320
	Children's Hospital Corp.	2.585%	2/1/50	160	102		UnitedHealth Group Inc.	4.625%	7/15/35	240	235
	Cigna Group	3.250%	4/15/25	880	844		UnitedHealth Group Inc.	3.500%	8/15/39	215	180
	Cigna Group	4.375%	10/15/28	515	498		UnitedHealth Group Inc.	2.750%	5/15/40	310	230
	CommonSpirit Health	4.200%	8/1/23	535	534		UnitedHealth Group Inc.	3.050%	5/15/41	838	646
	CommonSpirit Health	2.760%	10/1/24	860	828		UnitedHealth Group Inc.	4.375%	3/15/42	1,318	1,199
	CommonSpirit Health	3.347%	10/1/29	1,015	893		UnitedHealth Group Inc.	4.250%	3/15/43	1,600	1,456
	CommonSpirit Health	2.782%	10/1/30	684	576		UnitedHealth Group Inc.	4.750%	7/15/45	592	566
2	CommonSpirit Health	4.350%	11/1/42	601	515		UnitedHealth Group Inc.	4.200%	1/15/47	215	190
	CommonSpirit Health	3.910%	10/1/50	70	54		UnitedHealth Group Inc.	3.750%	10/15/47	145	119
	Cottage Health Obligated Group	3.304%	11/1/49	295	218		UnitedHealth Group Inc.	4.250%	6/15/48	880	776
4	CSL Finance plc	4.750%	4/27/52	1,164	1,082		UnitedHealth Group Inc.	4.450%	12/15/48	140	128
	CVS Health Corp.	1.750%	8/21/30	145	116		UnitedHealth Group Inc.	3.700%	8/15/49	675	543
	CVS Health Corp.	4.875%	7/20/35	315	299		UnitedHealth Group Inc.	2.900%	5/15/50	1,539	1,077
	Dignity Health	3.812%	11/1/24	560	543						
	Elevance Health Inc.	2.550%	3/15/31	1,100	925						
	Elevance Health Inc.	5.500%	10/15/32	320	329						
	Elevance Health Inc.	4.650%	8/15/44	92	83						

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
UnitedHealth Group Inc.	3.250%	5/15/51	295	220	CubeSmart LP	2.250%	12/15/28	360	304
UnitedHealth Group Inc.	4.750%	5/15/52	245	233	Extra Space Storage LP	5.500%	7/1/30	360	357
UnitedHealth Group Inc.	5.875%	2/15/53	1,655	1,836	Healthpeak OP LLC	2.125%	12/1/28	880	745
UnitedHealth Group Inc.	3.875%	8/15/59	615	502	Healthpeak OP LLC	3.000%	1/15/30	930	808
				63,599	Prologis LP	5.250%	6/15/53	595	584
Industrials (0.8%)					Realty Income Corp.	2.200%	6/15/28	735	636
⁴ Ashtead Capital Inc.	2.450%	8/12/31	495	389	Realty Income Corp.	4.700%	12/15/28	840	815
⁴ Ashtead Capital Inc.	5.550%	5/30/33	200	195	Realty Income Corp.	3.250%	1/15/31	380	332
⁴ BAE Systems Holdings Inc.	3.850%	12/15/25	1,085	1,040	Realty Income Corp.	2.850%	12/15/32	545	444
⁴ BAE Systems plc	3.400%	4/15/30	215	195	Realty Income Corp.	4.900%	7/15/33	816	781
Boeing Co.	1.433%	2/4/24	940	915	⁴ SBA Tower Trust	1.840%	4/15/27	1,570	1,347
Boeing Co.	2.700%	2/1/27	495	452	⁴ SBA Tower Trust	2.836%	1/15/50	725	683
Boeing Co.	3.625%	2/1/31	464	418	⁴ SBA Tower Trust	1.884%	7/15/50	265	238
Burlington Northern Santa Fe LLC	4.550%	9/1/44	250	230	⁴ SBA Tower Trust	1.631%	5/15/51	1,060	912
Burlington Northern Santa Fe LLC	4.150%	4/1/45	415	361	⁴ SBA Tower Trust	2.593%	10/15/56	1,500	1,180
Burlington Northern Santa Fe LLC	4.050%	6/15/48	60	51	⁴ Scentre Group Trust 1 / Scentre Group Trust 2	4.375%	5/28/30	695	650
Burlington Northern Santa Fe LLC	3.050%	2/15/51	405	288	Simon Property Group LP	3.750%	2/1/24	90	89
Burlington Northern Santa Fe LLC	2.875%	6/15/52	705	483	Simon Property Group LP	3.375%	10/1/24	275	267
Burlington Northern Santa Fe LLC	4.450%	1/15/53	17	16	Simon Property Group LP	2.450%	9/13/29	1,160	979
Canadian National Railway Co.	2.450%	5/1/50	205	131					15,681
Canadian Pacific Railway Co.	4.950%	8/15/45	480	450	Technology (1.7%)				
Caterpillar Inc.	3.400%	5/15/24	810	795	Apple Inc.	3.000%	2/9/24	620	611
CSX Corp.	3.350%	9/15/49	235	174	Apple Inc.	3.450%	5/6/24	1,000	984
⁴ Daimler Truck Finance North America LLC	5.150%	1/16/26	450	448	Apple Inc.	2.850%	5/11/24	1,225	1,198
⁴ Daimler Truck Finance North America LLC	3.650%	4/7/27	445	420	Apple Inc.	3.250%	2/23/26	1,020	982
⁴ Daimler Truck Finance North America LLC	5.125%	1/19/28	150	149	Apple Inc.	2.450%	8/4/26	1,170	1,096
Eaton Corp.	4.150%	3/15/33	254	241	Apple Inc.	3.350%	2/9/27	1,545	1,482
Eaton Corp.	4.700%	8/23/52	130	125	Apple Inc.	3.200%	5/11/27	1,065	1,017
Honeywell International Inc.	4.250%	1/15/29	1,000	973	Apple Inc.	2.900%	9/12/27	2,250	2,113
Honeywell International Inc.	5.000%	2/15/33	2,098	2,139	Apple Inc.	3.850%	5/4/43	430	383
Honeywell International Inc.	4.500%	1/15/34	1,684	1,647	Apple Inc.	4.450%	5/6/44	120	117
Illinois Tool Works Inc.	3.500%	3/1/24	1,295	1,276	Apple Inc.	3.850%	8/4/46	985	866
John Deere Capital Corp.	3.450%	3/13/25	1,200	1,166	Apple Inc.	2.650%	5/11/50	640	446
Lockheed Martin Corp.	4.500%	5/15/36	211	204	Apple Inc.	4.850%	5/10/53	1,322	1,354
Lockheed Martin Corp.	4.700%	5/15/46	376	363	Apple Inc.	2.550%	8/20/60	977	644
Lockheed Martin Corp.	5.700%	11/15/54	1,499	1,665	Broadcom Corp. / Broadcom Cayman Finance Ltd.	3.875%	1/15/27	305	291
Raytheon Technologies Corp.	4.450%	11/16/38	275	254	Broadcom Inc.	4.110%	9/15/28	1,452	1,374
Republic Services Inc.	4.875%	4/1/29	110	110	Broadcom Inc.	4.150%	11/15/30	130	119
⁴ Siemens					⁴ Broadcom Inc.	2.600%	2/15/33	710	553
⁴ Siemens Financieringsmaatschappij NV	3.125%	3/16/24	1,680	1,650	Cisco Systems Inc.	2.500%	9/20/26	431	404
⁴ Siemens Financieringsmaatschappij NV	1.700%	3/11/28	630	547	Intel Corp.	2.875%	5/11/24	800	782
⁴ Siemens Financieringsmaatschappij NV	2.150%	3/11/31	1,100	918	Intel Corp.	2.000%	8/12/31	105	86
⁴ Siemens Financieringsmaatschappij NV	4.400%	5/27/45	800	739	Intel Corp.	4.150%	8/5/32	437	417
Trane Technologies Financing Ltd.	5.250%	3/3/33	515	521	Intel Corp.	5.200%	2/10/33	1,505	1,519
Union Pacific Corp.	3.700%	3/1/29	505	482	Intel Corp.	5.625%	2/10/43	1,906	1,937
Union Pacific Corp.	2.800%	2/14/32	8	7	Intel Corp.	4.100%	5/19/46	1,172	986
Union Pacific Corp.	3.375%	2/14/42	515	412	Intel Corp.	3.250%	11/15/49	600	422
Union Pacific Corp.	3.250%	2/5/50	72	54	Intel Corp.	3.050%	8/12/51	842	564
Union Pacific Corp.	3.799%	10/1/51	696	570	Intel Corp.	4.900%	8/5/52	2,180	2,010
Union Pacific Corp.	3.500%	2/14/53	1,025	793	Intel Corp.	5.700%	2/10/53	840	856
Union Pacific Corp.	3.750%	2/5/70	335	253	Intel Corp.	3.200%	8/12/61	425	276
² United Airlines Class B Series 2018-1 Pass Through Trust	4.600%	9/1/27	126	118	International Business Machines Corp.	3.000%	5/15/24	2,500	2,443
				24,827	International Business Machines Corp.	3.300%	5/15/26	4,500	4,289
Materials (0.0%)					International Business Machines Corp.	3.500%	5/15/29	2,975	2,748
⁴ Corp. Nacional del Cobre de Chile	3.700%	1/30/50	600	453	International Business Machines Corp.	5.875%	11/29/32	1,010	1,079
Real Estate (0.5%)					Microsoft Corp.	2.700%	2/12/25	760	733
American Tower Corp.	5.000%	2/15/24	80	80	Microsoft Corp.	3.125%	11/3/25	435	419
American Tower Corp.	4.400%	2/15/26	450	437	Microsoft Corp.	2.400%	8/8/26	1,890	1,774
American Tower Corp.	3.800%	8/15/29	981	897	Microsoft Corp.	3.500%	2/12/35	605	566
⁴ American Tower Trust I	5.490%	3/15/28	2,070	2,072	Microsoft Corp.	3.450%	8/8/36	822	749
Boston Properties LP	3.800%	2/1/24	45	44	Microsoft Corp.	2.525%	6/1/50	3,336	2,308
					Microsoft Corp.	2.921%	3/17/52	3,287	2,443
					Oracle Corp.	2.950%	11/15/24	2,190	2,115

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Oracle Corp.	1.650%	3/25/26	895	813		Dominion Energy Inc.	3.375%	4/1/30	178	159
Oracle Corp.	3.250%	11/15/27	1,360	1,262		Dominion Energy Inc.	5.375%	11/15/32	1,950	1,959
QUALCOMM Inc.	1.300%	5/20/28	744	634		Dominion Energy Inc.	5.250%	8/1/33	1,000	985
QUALCOMM Inc.	2.150%	5/20/30	1,075	924		Dominion Energy Inc.	4.600%	3/15/49	760	653
QUALCOMM Inc.	1.650%	5/20/32	1,112	877		Dominion Energy Inc.	4.850%	8/15/52	2,852	2,544
QUALCOMM Inc.	4.250%	5/20/32	175	170		Dominion Energy South Carolina Inc.	6.625%	2/1/32	138	152
QUALCOMM Inc.	4.500%	5/20/52	463	421		Dominion Energy South Carolina Inc.	5.300%	5/15/33	44	44
S&P Global Inc.	2.700%	3/1/29	121	109		Dominion Energy South Carolina Inc.	5.450%	2/1/41	95	94
S&P Global Inc.	2.900%	3/1/32	1,817	1,576		Dominion Energy South Carolina Inc.	4.600%	6/15/43	202	183
S&P Global Inc.	3.700%	3/1/52	45	37		Duke Energy Carolinas LLC	4.950%	1/15/33	148	147
				54,378		Duke Energy Carolinas LLC	6.100%	6/1/37	493	516
Utilities (3.2%)						Duke Energy Carolinas LLC	3.700%	12/1/47	470	368
AEP Texas Inc.	4.150%	5/1/49	145	116		Duke Energy Carolinas LLC	5.350%	1/15/53	1,075	1,090
AEP Texas Inc.	3.450%	1/15/50	380	274		Duke Energy Corp.	2.650%	9/1/26	315	291
AEP Transmission Co. LLC	4.500%	6/15/52	265	237		Duke Energy Corp.	3.400%	6/15/29	350	316
Alabama Power Co.	5.200%	6/1/41	120	115		Duke Energy Corp.	4.500%	8/15/32	495	467
Alabama Power Co.	4.100%	1/15/42	215	178		Duke Energy Corp.	3.300%	6/15/41	945	698
Alabama Power Co.	3.750%	3/1/45	630	497		Duke Energy Corp.	4.800%	12/15/45	1,200	1,076
Alabama Power Co.	4.300%	7/15/48	775	660		Duke Energy Corp.	3.750%	9/1/46	265	201
Ameren Illinois Co.	3.800%	5/15/28	590	562		Duke Energy Corp.	4.200%	6/15/49	525	424
Ameren Illinois Co.	6.125%	12/15/28	1,000	1,004		Duke Energy Corp.	3.500%	6/15/51	990	718
Ameren Illinois Co.	3.700%	12/1/47	140	113		Duke Energy Corp.	5.000%	8/15/52	1,298	1,188
American Water Capital Corp.	2.950%	9/1/27	540	499		Duke Energy Florida LLC	6.350%	9/15/37	200	216
American Water Capital Corp.	3.750%	9/1/47	45	36		Duke Energy Florida LLC	5.950%	11/15/52	155	169
American Water Capital Corp.	4.200%	9/1/48	845	713		Duke Energy Progress LLC	6.300%	4/1/38	365	392
American Water Capital Corp.	4.150%	6/1/49	25	21		Duke Energy Progress LLC	4.100%	3/15/43	118	99
American Water Capital Corp.	3.450%	5/1/50	95	71		Duke Energy Progress LLC	4.200%	8/15/45	2,045	1,703
Arizona Public Service Co.	3.350%	5/15/50	410	282		Duke Energy Progress LLC	2.500%	8/15/50	70	44
Baltimore Gas and Electric Co.	2.900%	6/15/50	238	159		Duke Energy Progress LLC	2.900%	8/15/51	70	47
Berkshire Hathaway Energy Co.	6.125%	4/1/36	1,135	1,184		Duke Energy Progress NC Storm Funding LLC	2.387%	7/1/39	1,010	802
Berkshire Hathaway Energy Co.	5.950%	5/15/37	25	26		East Ohio Gas Co.	2.000%	6/15/30	325	262
Berkshire Hathaway Energy Co.	5.150%	11/15/43	1,490	1,385		East Ohio Gas Co.	3.000%	6/15/50	475	304
Berkshire Hathaway Energy Co.	4.250%	10/15/50	115	93	2	Eastern Energy Gas Holdings LLC	3.550%	11/1/23	470	465
Berkshire Hathaway Energy Co.	4.600%	5/1/53	548	470		Edison International	5.250%	11/15/28	708	690
4 Boston Gas Co.	3.150%	8/1/27	140	127	4	Electricite de France SA	4.875%	9/21/38	2,200	1,861
4 Boston Gas Co.	3.757%	3/16/32	120	106	4	Emera US Finance LP	3.550%	6/15/26	716	678
4 Brooklyn Union Gas Co.	3.407%	3/10/26	95	89		Entergy Louisiana LLC	3.120%	9/1/27	410	379
4 Brooklyn Union Gas Co.	4.273%	3/15/48	1,720	1,318		Evergy Inc.	2.450%	9/15/24	425	408
CenterPoint Energy Houston Electric LLC	4.250%	2/1/49	195	170	4	Evergy Kansas Central Inc.	3.250%	9/1/49	630	444
CenterPoint Energy Resources Corp.	5.250%	3/1/28	1,109	1,110		Evergy Metro Inc.	2.250%	6/1/30	205	171
CenterPoint Energy Resources Corp.	4.000%	4/1/28	1,369	1,309		Evergy Metro Inc.	4.200%	3/15/48	137	113
CenterPoint Energy Resources Corp.	5.400%	3/1/33	868	884		Eversource Energy	2.900%	10/1/24	690	664
Cleco Corporate Holdings LLC	3.743%	5/1/26	185	174		Eversource Energy	3.150%	1/15/25	110	106
Cleco Corporate Holdings LLC	3.375%	9/15/29	405	344		Eversource Energy	3.300%	1/15/28	400	368
Cleco Securitization I LLC	4.646%	9/1/44	765	726		Eversource Energy	5.450%	3/1/28	765	770
Commonwealth Edison Co.	2.950%	8/15/27	645	597		Eversource Energy	3.375%	3/1/32	70	61
Commonwealth Edison Co.	4.350%	11/15/45	375	327		Eversource Energy	5.125%	5/15/33	360	355
Commonwealth Edison Co.	3.650%	6/15/46	175	137		Exelon Corp.	3.350%	3/15/32	540	470
Commonwealth Edison Co.	4.000%	3/1/48	368	308		Florida Power & Light Co.	5.050%	4/1/28	340	343
Commonwealth Edison Co.	3.850%	3/15/52	195	156		Florida Power & Light Co.	5.650%	2/1/35	1,000	1,019
Consolidated Edison Co. of New York Inc.	4.500%	12/1/45	980	853		Florida Power & Light Co.	4.950%	6/1/35	1,000	995
Consolidated Edison Co. of New York Inc.	3.850%	6/15/46	76	59		Florida Power & Light Co.	5.950%	2/1/38	785	843
Consolidated Edison Co. of New York Inc.	3.950%	4/1/50	50	41		Florida Power & Light Co.	5.690%	3/1/40	675	709
Consolidated Edison Co. of New York Inc.	3.200%	12/1/51	570	397		Florida Power & Light Co.	3.700%	12/1/47	368	299
Consolidated Edison Co. of New York Inc.	6.150%	11/15/52	292	322		Florida Power & Light Co.	5.300%	4/1/53	535	554
Consolidated Edison Co. of New York Inc.	4.625%	12/1/54	2,640	2,277		Fortis Inc.	3.055%	10/4/26	1,195	1,103
Consolidated Edison Co. of New York Inc.	4.500%	5/15/58	715	600		Georgia Power Co.	4.700%	5/15/32	655	634
Consumers Energy Co.	4.200%	9/1/52	555	476		Georgia Power Co.	4.950%	5/17/33	635	627
Delmarva Power & Light Co.	3.500%	11/15/23	305	303	4	Georgia Power Co.	5.400%	6/1/40	205	197
						Georgia Power Co.	4.750%	9/1/40	988	903
						Georgia Power Co.	4.300%	3/15/42	1,076	928
						Georgia Power Co.	3.700%	1/30/50	170	131
						Georgia Power Co.	5.125%	5/15/52	710	692
						Indiana Michigan Power Co.	4.250%	8/15/48	415	349
						ITC Holdings Corp.	4.950%	9/22/27	60	59

Balanced Portfolio

		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
4	KeySpan Gas East Corp.	2.742%	8/15/26	670	609
4	Massachusetts Electric Co.	5.900%	11/15/39	585	591
4	Metropolitan Edison Co.	5.200%	4/1/28	60	59
4	Metropolitan Edison Co.	4.300%	1/15/29	249	236
	MidAmerican Energy Co.	4.400%	10/15/44	15	13
	MidAmerican Energy Co.	4.250%	5/1/46	45	38
	MidAmerican Energy Co.	4.250%	7/15/49	165	140
	MidAmerican Energy Co.	3.150%	4/15/50	1,166	816
4	Mid-Atlantic Interstate Transmission LLC	4.100%	5/15/28	220	208
4	Monongahela Power Co.	5.400%	12/15/43	135	131
	National Rural Utilities Cooperative Finance Corp.	2.950%	2/7/24	415	408
	National Rural Utilities Cooperative Finance Corp.	2.850%	1/27/25	1,040	1,000
	Nevada Power Co.	3.125%	8/1/50	305	203
	NextEra Energy Capital Holdings Inc.	6.051%	3/1/25	390	392
	NextEra Energy Capital Holdings Inc.	3.550%	5/1/27	880	830
	NextEra Energy Capital Holdings Inc.	1.900%	6/15/28	670	574
	NextEra Energy Capital Holdings Inc.	3.500%	4/1/29	390	357
	NextEra Energy Capital Holdings Inc.	2.750%	11/1/29	590	513
4	Niagara Mohawk Power Corp.	4.278%	12/15/28	1,000	933
4	Niagara Mohawk Power Corp.	3.025%	6/27/50	540	356
	NiSource Inc.	5.250%	2/15/43	390	374
	NiSource Inc.	4.800%	2/15/44	255	232
	NiSource Inc.	5.000%	6/15/52	2,036	1,880
	Northern States Power Co.	2.250%	4/1/31	145	121
	Northern States Power Co.	6.250%	6/1/36	2,000	2,169
2.4	Oglethorpe Power Corp.	6.191%	1/1/31	1,065	1,083
	Oglethorpe Power Corp.	5.950%	11/1/39	170	170
	Oglethorpe Power Corp.	4.550%	6/1/44	50	40
	Oglethorpe Power Corp.	4.250%	4/1/46	537	398
	Oglethorpe Power Corp.	4.500%	4/1/47	115	95
	Oglethorpe Power Corp.	5.050%	10/1/48	65	58
	Oncor Electric Delivery Co. LLC	4.150%	6/1/32	150	143
	Oncor Electric Delivery Co. LLC	4.550%	9/15/32	414	403
	Oncor Electric Delivery Co. LLC	4.550%	12/1/41	75	69
	Oncor Electric Delivery Co. LLC	2.700%	11/15/51	355	231
	Oncor Electric Delivery Co. LLC	4.600%	6/1/52	670	614
	Oncor Electric Delivery Co. LLC	4.950%	9/15/52	294	284
	Pacific Gas and Electric Co.	6.150%	1/15/33	603	592
	Pacific Gas and Electric Co.	6.400%	6/15/33	495	492
	Pacific Gas and Electric Co.	4.500%	7/1/40	679	528
	Pacific Gas and Electric Co.	6.750%	1/15/53	110	109
	Pacific Gas and Electric Co.	6.700%	4/1/53	882	868
	PECO Energy Co.	4.600%	5/15/52	280	257
4	Pennsylvania Electric Co.	5.150%	3/30/26	30	30
2	PG&E Energy Recovery Funding LLC	2.280%	1/15/38	109	84
2	PG&E Energy Recovery Funding LLC	2.822%	7/15/48	494	351
	PG&E Wildfire Recovery Funding LLC	5.212%	12/1/49	720	718
	PG&E Wildfire Recovery Funding LLC	5.099%	6/1/54	685	694
	Piedmont Natural Gas Co Inc.	5.050%	5/15/52	260	234
	Potomac Electric Power Co.	6.500%	11/15/37	750	834
	PPL Electric Utilities Corp.	5.250%	5/15/53	180	183
	San Diego Gas & Electric Co.	6.000%	6/1/26	600	612
	San Diego Gas & Electric Co.	1.700%	10/1/30	145	116
	San Diego Gas & Electric Co.	3.750%	6/1/47	160	125
	San Diego Gas & Electric Co.	4.150%	5/15/48	545	455
	San Diego Gas & Electric Co.	2.950%	8/15/51	21	14
	San Diego Gas & Electric Co.	3.700%	3/15/52	790	612
	San Diego Gas & Electric Co.	5.350%	4/1/53	1,220	1,212

		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
2	SCE Recovery Funding LLC	0.861%	11/15/33	254	212
	SCE Recovery Funding LLC	1.942%	5/15/40	110	78
	SCE Recovery Funding LLC	2.510%	11/15/43	100	68
	Sempra Energy	3.250%	6/15/27	4,095	3,787
	Sempra Energy	6.000%	10/15/39	600	612
	Sierra Pacific Power Co.	2.600%	5/1/26	221	206
	Southern California Edison Co.	3.700%	8/1/25	90	87
	Southern California Edison Co.	5.950%	11/1/32	620	650
	Southern California Edison Co.	6.000%	1/15/34	1,000	1,037
	Southern California Edison Co.	5.550%	1/15/37	2,250	2,204
	Southern California Edison Co.	6.050%	3/15/39	55	57
	Southern California Edison Co.	4.650%	10/1/43	100	88
	Southern California Edison Co.	4.000%	4/1/47	195	155
	Southern California Edison Co.	4.125%	3/1/48	645	524
	Southern California Edison Co.	4.875%	3/1/49	87	78
	Southern California Edison Co.	3.650%	2/1/50	155	116
	Southern California Edison Co.	5.700%	3/1/53	210	211
	Southern California Edison Co.	5.875%	12/1/53	350	357
	Southern California Gas Co.	2.600%	6/15/26	820	765
	Southern California Gas Co.	6.350%	11/15/52	250	277
	Southern Co.	4.400%	7/1/46	755	647
	Southwest Gas Corp.	2.200%	6/15/30	230	187
	Southwestern Electric Power Co.	6.200%	3/15/40	400	411
	Southwestern Public Service Co.	3.700%	8/15/47	102	78
4	Texas Electric Market Stabilization Funding N LLC	4.966%	2/1/44	1,120	1,090
4	Texas Electric Market Stabilization Funding N LLC	5.057%	8/1/48	535	520
4	Texas Electric Market Stabilization Funding N LLC	5.167%	2/1/52	500	501
	Tucson Electric Power Co.	5.500%	4/15/53	210	209
	Union Electric Co.	4.000%	4/1/48	423	347
	Union Electric Co.	3.900%	4/1/52	245	200
	Union Electric Co.	5.450%	3/15/53	250	255
	Virginia Electric and Power Co.	3.500%	3/15/27	435	412
	Wisconsin Electric Power Co.	5.700%	12/1/36	690	698
					101,619
Total Corporate Bonds (Cost \$766,053)					695,162
Sovereign Bonds (0.3%)					
4	Airport Authority Hong Kong	4.875%	1/12/30	705	718
4	Airport Authority Hong Kong	4.875%	1/12/33	430	438
4	Emirate of Abu Dhabi	4.951%	7/7/52	390	387
4	Government of Bermuda	2.375%	8/20/30	400	335
4	Government of Bermuda	3.375%	8/20/50	200	138
	International Bank for Reconstruction & Development	4.750%	2/15/35	2,000	2,096
4	Kingdom of Saudi Arabia	5.000%	1/18/53	1,230	1,140
4	OMERS Finance Trust	4.000%	4/20/28	560	542
	Republic of Chile	2.550%	7/27/33	1,085	887
	Republic of Chile	3.500%	1/31/34	545	481
	Republic of Chile	3.500%	4/15/53	575	428
	Republic of Chile	3.100%	1/22/61	410	268
4	State of Qatar	4.400%	4/16/50	430	391
	United Mexican States	6.338%	5/4/53	737	753
Total Sovereign Bonds (Cost \$9,580)					9,002
Taxable Municipal Bonds (1.6%)					
	Alabama Federal Aid Highway Finance Authority Government Fund/Grant Revenue	2.650%	9/1/37	160	123
	Bay Area Toll Authority Highway Revenue	6.263%	4/1/49	60	71
	Bay Area Toll Authority Highway Revenue	7.043%	4/1/50	820	1,053
	Broward FL Airport System Port, Airport & Marina Revenue	3.477%	10/1/43	300	246
	California GO	7.500%	4/1/34	155	189
	California GO	7.350%	11/1/39	1,550	1,885

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
California Health Facilities Financing Authority Intergovernmental Agreement Revenue	4.190%	6/1/37	175	163	Maryland State Transportation Authority Transit Revenue	5.888%	7/1/43	545	581
California State University College & University Revenue	2.719%	11/1/52	350	245	Massachusetts School Building Authority Sales Tax Revenue	1.753%	8/15/30	890	750
California State University College & University Revenue	2.939%	11/1/52	445	312	Massachusetts School Building Authority Sales Tax Revenue	5.715%	8/15/39	1,000	1,076
Chicago Transit Authority Sales & Transfer Tax Receipts Sales Tax Revenue	6.899%	12/1/40	1,730	1,961	Massachusetts School Building Authority Sales Tax Revenue	3.395%	10/15/40	475	393
Chicago Transit Authority Sales & Transfer Tax Receipts Sales Tax Revenue	6.899%	12/1/40	800	907	Massachusetts School Building Authority Sales Tax Revenue	2.950%	5/15/43	650	487
Chicago Transit Authority Sales Tax Receipts Fund Sales Tax Revenue	6.200%	12/1/40	550	603	Massachusetts Water Resources Authority Water Revenue	2.823%	8/1/41	710	554
Commonwealth of Massachusetts GO	2.514%	7/1/41	270	201	Michigan Finance Authority Health, Hospital, Nursing Home Revenue	3.084%	12/1/34	295	254
Commonwealth of Massachusetts Miscellaneous Taxes Revenue	4.110%	7/15/31	570	554	New Jersey Turnpike Authority Highway Revenue	7.414%	1/1/40	410	514
Dallas Fort Worth International Airport Port, Airport & Marina Revenue	2.843%	11/1/46	515	378	New York Metropolitan Transportation Authority Fuel Sales Tax Revenue	6.089%	11/15/40	445	487
Dallas Fort Worth International Airport Port, Airport & Marina Revenue	4.087%	11/1/51	75	66	New York Metropolitan Transportation Authority Miscellaneous Taxes Revenue	7.336%	11/15/39	325	404
Dallas-Fort Worth International Airport Port, Airport & Marina Revenue	3.089%	11/1/40	220	173	New York Metropolitan Transportation Authority Transit Revenue	6.200%	11/15/26	50	50
Dallas-Fort Worth International Airport Port, Airport & Marina Revenue	4.507%	11/1/51	535	498	New York Metropolitan Transportation Authority Transit Revenue	6.814%	11/15/40	785	849
Florida State Board of Administration Finance Corp. Miscellaneous Revenue	1.705%	7/1/27	925	819	New York Metropolitan Transportation Authority Transit Revenue	5.175%	11/15/49	910	829
⁶ Foothill-Eastern Transportation Corridor Agency CA Highway Revenue	3.924%	1/15/53	345	277	New York State Dormitory Authority Income Tax Revenue	3.110%	2/15/39	640	524
Georgia Municipal Electric Authority Electric Power & Light Revenue	6.637%	4/1/57	2,006	2,290	New York State Dormitory Authority Income Tax Revenue	3.190%	2/15/43	355	279
Golden State Tobacco Securitization Corp. Tobacco Settlement Funded Revenue	2.746%	6/1/34	70	57	New York State Thruway Authority Highway Revenue	2.900%	1/1/35	490	414
Golden State Tobacco Securitization Corp. Tobacco Settlement Funded Revenue	3.293%	6/1/42	130	98	New York State Thruway Authority Highway Revenue	3.500%	1/1/42	275	229
Golden State Tobacco Securitization Corp. Tobacco Settlement Funded Revenue	3.000%	6/1/46	260	239	North Texas Tollway Authority Highway Revenue	3.011%	1/1/43	450	340
Grand Parkway Transportation Corp. Highway Revenue	5.184%	10/1/42	140	143	North Texas Tollway Authority Highway Revenue	6.718%	1/1/49	465	577
Grand Parkway Transportation Corp. Texas System Highway Revenue	3.236%	10/1/52	930	683	Oregon Department of Transportation Fuel Sales Tax Revenue	5.834%	11/15/34	655	719
Great Lakes Water Authority Sewage Disposal System Sewer Revenue	3.056%	7/1/39	250	202	⁶ Oregon School Boards Assn. GO	5.528%	6/30/28	1,716	1,725
Houston TX GO	6.290%	3/1/32	315	332	⁷ Oregon State University College & University Revenue	3.424%	3/1/60	1,000	742
Illinois GO	5.100%	6/1/33	4,765	4,683	⁸ Philadelphia Authority for Industrial Development Miscellaneous Revenue	6.550%	10/15/28	1,945	2,054
Illinois State Toll Highway Authority Highway Revenue	6.184%	1/1/34	750	816	Port Authority of New York & New Jersey Port, Airport & Marina Revenue	5.859%	12/1/24	65	65
Jobs Ohio Beverage System Economic Development Revenue	4.433%	1/1/33	375	370	Port Authority of New York & New Jersey Port, Airport & Marina Revenue	5.072%	7/15/53	1,035	1,057
JobsOhio Beverage System Miscellaneous Revenue	2.833%	1/1/38	160	128	Port Authority of New York & New Jersey Port, Airport & Marina Revenue	3.175%	7/15/60	485	344
⁷ Kansas Development Finance Authority Appropriations Revenue	2.774%	5/1/51	390	281	Port Authority of New York & New Jersey Port, Airport & Marina Revenue	4.458%	10/1/62	1,175	1,073
⁶ Kansas Development Finance Authority Lease (Appropriation) Revenue	5.501%	5/1/34	2,000	2,087	Port Authority of New York & New Jersey Port, Airport & Marina Revenue	4.810%	10/15/65	640	622
					Regents of the University of California Medical Center Pooled Health, Hospital, Nursing Home Revenue	4.132%	5/15/32	465	442
					Riverside CA General Fund Revenue	3.857%	6/1/45	260	223

Balanced Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Riverside County CA Appropriations Revenue	3.818%	2/15/38	290	263
Rutgers State University of New Jersey College & University Revenue	3.270%	5/1/43	350	279
Sales Tax Securitization Corp. Intergovernmental Agreement Revenue	3.238%	1/1/42	1,000	798
Texas Natural Gas Securitization Finance Corp. Natural Gas Revenue	5.102%	4/1/35	420	422
Texas Natural Gas Securitization Finance Corp. Natural Gas Revenue	5.169%	4/1/41	615	633
Texas Transportation Commission GO	2.562%	4/1/42	235	179
Texas Transportation Commission State Highway Fund Miscellaneous Revenue	4.000%	10/1/33	395	375
University of California College & University Revenue	1.316%	5/15/27	385	341
University of California College & University Revenue	1.614%	5/15/30	645	529
University of California College & University Revenue	4.765%	5/15/44	145	140
University of California College & University Revenue	3.931%	5/15/45	570	517
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	6.548%	5/15/48	80	93
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	6.583%	5/15/49	695	811
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	3.006%	5/15/50	450	316
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	4.563%	5/15/53	1,350	1,253
University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue	3.256%	5/15/60	780	547
University of Michigan College & University Revenue	2.562%	4/1/50	997	669
University of Michigan College & University Revenue	3.504%	4/1/52	210	169
University of Minnesota College & University Revenue	4.048%	4/1/52	840	742
Utility Debt Securitization Authority Electric Power & Light Revenue	3.435%	12/15/25	42	42
Total Taxable Municipal Bonds (Cost \$56,130)				50,908

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				
2-Year U.S. Treasury Note	September 2023	30	6,100	(86)
5-Year U.S. Treasury Note	September 2023	376	40,267	(492)
10-Year U.S. Treasury Note	September 2023	81	9,094	(172)
				(750)

	Coupon	Shares	Market Value* (\$000)
Temporary Cash Investments (1.8%)			
Money Market Fund (0.0%)			
⁹ Vanguard Market Liquidity Fund	5.150%	117	12
		Maturity Date	Face Amount (\$000)
Repurchase Agreement (1.8%)			
NatWest Markets plc (Dated 6/30/23, Repurchase Value \$57,524,000, collateralized by U.S. Treasury Note/Bond 4.625%, 3/15/26, with a value of \$58,650,000)	5.040%	7/3/23	57,500
Total Temporary Cash Investments (Cost \$57,512)			57,512
Total Investments (99.6%) (Cost \$2,756,048)			3,130,562
Other Assets and Liabilities—Net (0.4%)			13,437
Net Assets (100%)			3,143,999

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Securities with a value of \$321,000 have been segregated as initial margin for open futures contracts.

2 The average or expected maturity is shorter than the final maturity shown because of the possibility of interim principal payments and prepayments or the possibility of the issue being called.

3 The issuer was placed under federal conservatorship in September 2008; since that time, its daily operations have been managed by the Federal Housing Finance Agency and it receives capital from the U.S. Treasury, as needed to maintain a positive net worth, in exchange for senior preferred stock.

4 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2023, the aggregate value was \$180,613,000, representing 5.7% of net assets.

5 Variable-rate security; rate shown is effective rate at period end. Certain variable-rate securities are not based on a published reference rate and spread but are determined by the issuer or agent based on current market conditions.

6 Scheduled principal and interest payments are guaranteed by Assured Guaranty Municipal Corp.

7 Scheduled principal and interest payments are guaranteed by Build America Mutual Assurance Co.

8 Scheduled principal and interest payments are guaranteed by National Public Finance Guarantee Corp.

9 Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

ADR—American Depositary Receipt.

DAC—Designated Activity Company.

GO—General Obligation Bond.

REMICS—Real Estate Mortgage Investment Conduits.

SOFR30A—30 Day Average Secured Overnight Financing Rate.

TSFR1M—CME Term Secured Overnight Financing Rate 1-Month.

UMBS—Uniform Mortgage-Backed Securities.

Futures Contracts (continued)				
				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
Short Futures Contracts				
Ultra 10-Year U.S. Treasury Note	September 2023	(126)	(14,923)	171
				(579)

See accompanying Notes, which are an integral part of the Financial Statements.

Statement of Assets and Liabilities

As of June 30, 2023

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$2,756,036)	3,130,550
Affiliated Issuers (Cost \$12)	12
Total Investments in Securities	3,130,562
Investment in Vanguard	108
Cash	20
Foreign Currency, at Value (Cost \$209)	211
Receivables for Investment Securities Sold	12,418
Receivables for Accrued Income	13,771
Receivables for Capital Shares Issued	115
Total Assets	3,157,205
Liabilities	
Payables for Investment Securities Purchased	9,930
Payables to Investment Advisor	401
Payables for Capital Shares Redeemed	2,557
Payables to Vanguard	280
Variation Margin Payable—Futures Contracts	38
Total Liabilities	13,206
Net Assets	3,143,999

At June 30, 2023, net assets consisted of:

Paid-in Capital	2,649,943
Total Distributable Earnings (Loss)	494,056
Net Assets	3,143,999
Net Assets	
Applicable to 143,386,290 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	3,143,999
Net Asset Value Per Share	\$21.93

Statement of Operations

	Six Months Ended June 30, 2023
	(\$000)
Investment Income	
Income	
Dividends ¹	19,810
Interest	20,954
Securities Lending—Net	—
Total Income	40,764
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	811
Performance Adjustment	(38)
The Vanguard Group—Note C	
Management and Administrative	2,384
Marketing and Distribution	80
Custodian Fees	15
Shareholders' Reports	41
Trustees' Fees and Expenses	1
Other Expenses	5
Total Expenses	3,299
Expenses Paid Indirectly	(4)
Net Expenses	3,295
Net Investment Income	37,469
Realized Net Gain (Loss)	
Investment Securities Sold ²	88,505
Futures Contracts	449
Swap Contracts	(137)
Foreign Currencies	44
Realized Net Gain (Loss)	88,861
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	105,446
Futures Contracts	(709)
Foreign Currencies	67
Change in Unrealized Appreciation (Depreciation)	104,804
Net Increase (Decrease) in Net Assets Resulting from Operations	231,134

¹ Dividends are net of foreign withholding taxes of \$231,000.

² Realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$0, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	37,469	66,357
Realized Net Gain (Loss)	88,861	127,923
Change in Unrealized Appreciation (Depreciation)	104,804	(727,150)
Net Increase (Decrease) in Net Assets Resulting from Operations	231,134	(532,870)
Distributions		
Total Distributions	(195,416)	(375,204)
Capital Share Transactions		
Issued	97,895	313,136
Issued in Lieu of Cash Distributions	195,416	375,204
Redeemed	(326,946)	(425,731)
Net Increase (Decrease) from Capital Share Transactions	(33,635)	262,609
Total Increase (Decrease)	2,083	(645,465)
Net Assets		
Beginning of Period	3,141,916	3,787,381
End of Period	3,143,999	3,141,916

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2023	Year Ended December 31,				
	2023	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$21.72	\$28.41	\$25.68	\$24.94	\$22.20	\$24.80
Investment Operations						
Net Investment Income ¹	.256	.471	.468	.526	.623	.626
Net Realized and Unrealized Gain (Loss) on Investments	1.317	(4.277)	4.137	1.692	4.105	(1.414)
Total from Investment Operations	1.573	(3.806)	4.605	2.218	4.728	(.788)
Distributions						
Dividends from Net Investment Income	(.464)	(.480)	(.497)	(.666)	(.660)	(.582)
Distributions from Realized Capital Gains	(.899)	(2.404)	(1.378)	(.812)	(1.328)	(1.230)
Total Distributions	(1.363)	(2.884)	(1.875)	(1.478)	(1.988)	(1.812)
Net Asset Value, End of Period	\$21.93	\$21.72	\$28.41	\$25.68	\$24.94	\$22.20
Total Return	7.65%	-14.30%	19.02%	10.68%	22.48%	-3.41%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$3,144	\$3,142	\$3,787	\$3,346	\$3,267	\$2,708
Ratio of Total Expenses to Average Net Assets ²	0.21% ³	0.21% ³	0.20%	0.20%	0.21%	0.21%
Ratio of Net Investment Income to Average Net Assets	2.36%	2.05%	1.76%	2.24%	2.68%	2.67%
Portfolio Turnover Rate ⁴	20%	40%	33%	49%	29%	36%

The expense ratio and net investment income ratio 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%), (0.01%), (0.00%), and (0.00%).

3 The ratio of expenses to average net assets for the period net of reduction from custody fee offset and broker commission abatement arrangements was 0.21%.

4 Includes 0%, 7%, 1%, 3%, 8%, and 2%, respectively, attributable to mortgage-dollar-roll activity.

Notes to Financial Statements

The 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.

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, as furnished by independent pricing services. 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 by methods deemed by the valuation designee to represent fair value and subject to oversight 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. **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 MSFTA, and sell or retain any collateral held up to the net amount owed to the portfolio under the MSFTA.

4. **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 also enters 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 Assets and Liabilities.

5. 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.

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

Futures contracts are valued at their quoted daily settlement prices. The notional amounts of the contracts are not recorded in the Statement of Assets and Liabilities. Fluctuations in the value of the contracts are recorded in the Statement of Assets and Liabilities 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 gains (losses) on futures contracts.

During the six months ended June 30, 2023, the portfolio's average investments in long and short futures contracts represented 1% and less than 1% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

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

The portfolio enters into centrally cleared credit default swaps to achieve the same objectives specified with respect to the equivalent over-the-counter swaps but with less counterparty risk because a regulated clearinghouse is the counterparty instead of the clearing broker or executing broker. 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. To further mitigate counterparty risk, the portfolio trades with a diverse group of prequalified executing brokers; monitors the financial strength of its clearing brokers, executing brokers, and clearinghouse; and has entered into agreements with its clearing brokers and executing brokers.

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

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

During the six months ended June 30, 2023, the portfolio's average amounts of investments in credit protection sold and credit protection purchased represented less than 1% of net assets, based on the average of the notional amounts at each quarter-end during the period. The portfolio had no open credit default swap contracts at June 30, 2023.

8. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute virtually all of its taxable income. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the portfolio's financial statements.

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

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 Assets and Liabilities for the return of the collateral, during the period the securities are on loan. Collateral investments in Vanguard Market Liquidity Fund are subject to market appreciation or depreciation. 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 Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which 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 either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2023, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

12. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. 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.

Taxes on foreign dividends and capital gains have been provided for in accordance with the portfolio's understanding of the applicable countries' tax rules and rates. Deferred foreign capital gains tax, if any, is accrued daily based upon net unrealized gains. The portfolio has filed tax reclaims for previously withheld taxes on dividends earned in certain European Union countries. These filings are subject to various administrative and judicial proceedings within these countries. Amounts related to these reclaims are recorded when there are no significant uncertainties as to the ultimate resolution of proceedings, the likelihood of receipt of these reclaims, and the potential timing of payment. Such tax reclaims and related professional fees, if any, are included in dividend income and other expenses, respectively.

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, 2023, the investment advisory fee represented an effective annual basic rate of 0.05% of the portfolio's average net assets, before a net decrease of \$38,000 (0.00%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio corporate management, administrative,

marketing, and distribution 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 and 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, 2023, the portfolio had contributed to Vanguard capital in the amount of \$108,000, representing less than 0.01% of the portfolio's net assets and 0.04% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

D. The portfolio has asked its investment advisor to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the portfolio part of the commissions generated. Such rebates are used solely to reduce the portfolio's management and administrative expenses. The portfolio's custodian bank has also agreed to reduce its fees when the portfolio maintains cash on deposit in the non-interest-bearing custody account. For the six months ended June 30, 2023, these arrangements reduced the portfolio's management and administrative expenses by \$1,000 and custodian fees by \$3,000. The total expense reduction represented an effective annual rate of less than 0.01% of the portfolio's average net assets.

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

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

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

Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2023, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	1,902,285	150,499	—	2,052,784
U.S. Government and Agency Obligations	—	243,108	—	243,108
Asset-Backed/Commercial Mortgage-Backed Securities	—	22,086	—	22,086
Corporate Bonds	—	695,162	—	695,162
Sovereign Bonds	—	9,002	—	9,002
Taxable Municipal Bonds	—	50,908	—	50,908
Temporary Cash Investments	12	57,500	—	57,512
Total	1,902,297	1,228,265	—	3,130,562
Derivative Financial Instruments				
Assets				
Futures Contracts ¹	171	—	—	171
Liabilities				
Futures Contracts ¹	750	—	—	750

¹ Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

F. At June 30, 2023, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

Statement of Assets and Liabilities	Interest Rate Contracts (\$000)	Credit Contracts (\$000)	Total (\$000)
Unrealized Appreciation—Futures Contracts ¹	171	—	171
Total Assets	171	—	171
Unrealized Depreciation—Futures Contracts ¹	750	—	750
Total Liabilities	750	—	750

¹ Includes cumulative appreciation (depreciation) on futures contracts and centrally cleared swaps, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statement of Assets and Liabilities.

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2023, were:

	Interest Rate Contracts (\$000)	Credit Contracts (\$000)	Total (\$000)
Realized Net Gain (Loss) on Derivatives			
Futures Contracts	449	—	449
Swap Contracts	—	(137)	(137)
Realized Net Gain (Loss) on Derivatives	449	(137)	312
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Futures Contracts	(709)	—	(709)
Change in Unrealized Appreciation (Depreciation) on Derivatives	(709)	—	(709)

G. As of June 30, 2023, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	2,759,024
Gross Unrealized Appreciation	530,368
Gross Unrealized Depreciation	(159,409)
Net Unrealized Appreciation (Depreciation)	370,959

H. During the six months ended June 30, 2023, the portfolio purchased \$385,607,000 of investment securities and sold \$585,425,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were \$244,736,000 and \$278,934,000, respectively.

I. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2023	Year Ended December 31, 2022
	Shares (000)	Shares (000)
Issued	4,507	13,936
Issued in Lieu of Cash Distributions	9,486	15,732
Redeemed	(15,252)	(18,314)
Net Increase (Decrease) in Shares Outstanding	(1,259)	11,354

J. Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the portfolio's investments and portfolio performance.

To the extent the portfolio's investment portfolio reflects concentration in a particular market, industry, sector, country or asset class, the portfolio may be adversely affected by the performance of these concentrations and may be subject to increased price volatility and other risks.

Credit risk is the risk that a counterparty to a transaction or an issuer of a financial instrument will fail to pay interest and principal when due, or that perceptions of the issuer's ability to make such payments will cause the price of an investment to decline. Investment in debt securities will generally increase credit risk.

The use of derivatives may expose the portfolio to various risks. Derivatives can be highly volatile, and any initial investment is generally small relative to the notional amount so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard securities. Leveraged derivatives positions can, therefore, increase volatility. Additional information regarding the portfolio's use of derivative(s) and the specific risks associated is described under significant accounting policies.

At June 30, 2023, 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 67% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

K. Management has determined that no events or transactions occurred subsequent to June 30, 2023, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Funds 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 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 periodic reports throughout the year, which included information about the portfolio's performance relative to its peers and benchmark, as applicable, and updates, as needed, on the Portfolio Review Department's ongoing assessment of the advisor.

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; it also 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 leverage 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 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.

Cost

The board concluded that the portfolio's expense ratio was below the average expense ratio charged by funds in its peer group and that the portfolio's advisory fee rate was also below the peer-group average.

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.

Liquidity Risk Management

Vanguard funds (except for the money market funds) have adopted and implemented a written liquidity risk management program (the “Program”) as required by Rule 22e-4 under the Investment Company Act of 1940. Rule 22e-4 requires that each fund adopt a program that is reasonably designed to assess and manage the fund’s liquidity risk, which is the risk that the fund could not meet redemption requests without significant dilution of remaining investors’ interests in the fund.

Assessment and management of a fund’s liquidity risk under the Program take into consideration certain factors, such as the fund’s investment strategy and the liquidity of its portfolio investments during normal and reasonably foreseeable stressed conditions, its short- and long-term cash-flow projections during both normal and reasonably foreseeable stressed conditions, and its cash and cash-equivalent holdings and access to other funding sources. As required by the rule, the Program includes policies and procedures for classification of fund portfolio holdings in four liquidity categories, maintaining certain levels of highly liquid investments, and limiting holdings of illiquid investments.

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Balanced Portfolio’s Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2022, through December 31, 2022 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio’s liquidity risk.

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