

Semiannual Report | June 30, 2018

Vanguard Variable Insurance Fund

Small Company Growth Portfolio

Vanguard's Principles for Investing Success

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

Goals. Create clear, appropriate investment goals.

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

Cost. Minimize cost.

Discipline. Maintain perspective and long-term discipline.

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

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

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

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

CEO's Perspective



Tim Buckley
President and Chief Executive Officer

Dear Planholder,

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

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

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

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

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

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

Steady, time-tested guidance

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

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

Thank you for your continued loyalty.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mortimer J. Buckley'.

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

Market Perspective

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

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

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

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

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

Bond returns were down as inflation concerns heightened

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

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

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

Market Barometer

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

¹ Annualized.

Small Company Growth Portfolio

Advisors' Report

The Small Company Growth Portfolio returned 9.42% for the six months ended June 30, 2018, ahead of the 8.04% return of its benchmark, the Russell 2500 Growth Index, but trailing the 11.63% average return of peer funds. Please note that the returns for Vanguard Variable Insurance Fund are different from those of Vanguard Variable Annuity (and other plans that invest in the fund), which take into account insurance-related expenses.

The portfolio is managed by two independent advisors, a strategy that enhances diversification by providing exposure to distinct yet complementary investment approaches. It is not uncommon for different advisors to have different views about individual securities or the broader investment environment.

The advisors, the amount and percentage of the portfolio's assets each manages, and brief descriptions of their investment strategies are presented in the table on the next page. Each advisor has also prepared a discussion of the investment environment that existed during the half year and its effect on the portfolio's positioning. These comments were prepared on July 19, 2018.

ArrowMark Partners

Portfolio Managers:

Chad Meade, Partner

Brian Schaub, CFA, Partner

Volatility returned to the equity market in the first half of 2018, influenced by a backdrop of higher interest rates, geopolitical tensions, and the threat of increased trade barriers. The Federal Reserve also increased its growth outlook for 2018 and, as widely expected, raised its benchmark interest rate twice. Policymakers signaled they planned to raise rates two more times this year. Based on the Russell family of indexes, small-capitalization growth stocks outperformed large-cap growth stocks, and growth stocks significantly outperformed value stocks across all market-cap ranges.

Our investment process prioritizes the management of risk over the opportunity for return. Our goal is to build an all-weather portfolio that can perform in a variety of market conditions. We look to build a portfolio that can mitigate capital losses on the downside and, secondarily, provide 100% upside participation during market recoveries. We continue to add holdings with predictable and recurring

revenue streams, strong competitive advantages, large addressable markets, and attractive risk-reward profiles.

Performance during the period was driven almost entirely by strong stock selection, particularly within the health care and financial sectors. Relative performance also benefited from our meaningful underweight to the materials sector, where we own only one company. We typically avoid this sector because materials companies tend to exhibit levered balance sheets and are more influenced by commodity price swings.

Health care was the largest contributor to overall performance, driven in part by Atara Biotherapeutics and Juno Therapeutics. Atara is a clinical-stage biopharmaceutical company focused on developing T-cell immunotherapies for patients with cancer and autoimmune and viral diseases. It received clearance from the U.S. Food and Drug Administration to begin Phase 3 clinical studies in late December, triggering a rally in the stock that extended through the first quarter. The stock received an additional boost in February when the New England Journal of Medicine published a favorable article.

Juno, a biopharmaceutical company focused on developing cellular immunotherapies for the treatment of cancer, announced it was being acquired by biotech giant Celgene in a \$9 billion deal that was well received by the market.

Notable positions within the financial sector were Financial Engines and LPL Financial Holdings. Financial Engines, a technology-driven investment retirement advisor working with the largest employers and recordkeepers in America, was acquired by Hellman & Friedman at a 32% premium during the period.

Total Returns

	Six Months Ended June 30, 2018
Small Company Growth Portfolio	9.42%
Russell 2500 Growth Index	8.04
Variable Insurance Small-Cap Growth Funds Average ¹	11.63

Expense Ratios²

Your Portfolio Compared With Its Peer Group

	Portfolio	Variable Insurance Small-Cap Growth Funds Average
Small Company Growth Portfolio	0.34%	1.01%

¹ Derived from data provided by Lipper, a Thomson Reuters Company.

² The portfolio expense ratio shown is from the prospectus dated April 26, 2018, and represents estimated costs for the current fiscal year. For the six months ended June 30, 2018, the Small Company Growth Portfolio's annualized expense ratio was 0.34%. The peer-group expense ratio is derived from data provided by Lipper, a Thomson Reuters Company, and captures information through year-end 2017.

LPL is a leading financial services provider for independent advisors and registered investment advisors. We like its ability to migrate advisors from commission-based accounts to fee-based accounts at enhanced economics. Because it is highly leveraged to rising interest rates, LPL benefited from the positive movement in rates over recent quarters. A strong market backdrop and subsequent growth in assets under management also provided a powerful boost.

Investments in the information technology sector, particularly the software and services group, dragged on relative returns. The sector is now our largest underweight position as we have struggled to justify company valuations. Companies disruptive to performance included Switch, a technology infrastructure ecosystem corporation that narrowly missed analysts' expectations, and Heartland Express, a short-to-medium-haul truckload carrier that suffered from a slow merger process.

Vanguard Quantitative Equity Group

Portfolio Managers:

James P. Stetler

Binbin Guo, Principal, Head of Alpha Equity Investments

The investment environment

The U.S. economy grew at a rate of 2.0% in the first quarter of 2018, a decrease from the previous quarter's 2.9%, according to the latest revision at the end of June. Positive contributions to growth came from nonresidential fixed investment, personal consumption, and exports, as well as government spending at the federal, state, and local levels. These were partly offset by negative contributions from residential fixed income and private inventory investment, along with an increase in imports.

Unemployment rose to 4.0% in June versus expectations that it would hold steady at 3.8%. In its June meeting, the Federal Reserve raised its target interest rate to 1.75%–2%, citing a labor market that has continued to strengthen and steadily rising economic activity. The Fed also noted that inflation has moved closer to 2% and expressed concern over the uncertainty of trade policy.

U.S. stock market performance for the period was mixed; five of the 11 industry sectors advanced, led by information technology, consumer discretionary, and energy. Consumer staples, telecommunication services, and industrials

performed the worst. Growth stocks exceeded value, and small-capitalization stocks outpaced large- and mid-caps.

Investment objective and strategy

Although our overall performance is affected by the macroeconomic factors we've described, our approach to investing focuses on specific stock fundamentals that we believe are more likely to produce outperformance over the long run. Those fundamentals include high quality, management decisions, consistent earnings growth, strong market sentiment, and reasonable valuation.

Using these five themes, we generate a composite rank for all the stocks in our universe each day, seeking to capitalize on investor biases across the market. We then monitor our portfolio, based on those rankings, and adjust when appropriate to maximize expected return while minimizing exposure to risks that our research indicates do not improve returns (such as industry selection and other risks relative to our benchmark).

Our successes and shortfalls

Over the six months, our portfolio produced gains from our management decisions, growth, and sentiment models and, to a lesser extent, our quality model. Our valuation model detracted from performance. Results exceeded the benchmark in seven of 11 sectors and were strongest in consumer discretionary and information technology, followed by financials. Health care, materials, and consumer staples were the weakest relative performers.

The portfolio benefited from Etsy and Square in information technology, Weight Watchers and RH in consumer discretionary, and Medifast in consumer staples. The greatest shortfalls came from Exelixis, ABIOMED, and Nektar Therapeutics in health care, Pilgrim's Pride in consumer staples, and Extreme Networks in information technology.

Small Company Growth Portfolio Investment Advisors

Investment Advisor	Portfolio Assets Managed		Investment Strategy
	%	\$ Million	
ArrowMark Partners	48	969	The firm uses in-depth fundamental research to uncover companies that, in its opinion, can control their own economic destiny. It starts by identifying businesses with strong competitive advantages in industries with high barriers to entry, then narrows the focus to companies with large potential markets and high-quality business models focused on the future. Finally, considerations are made for potential downside risk, resulting in a diversified portfolio of between 75 and 100 stocks.
Vanguard Quantitative Equity Group	48	956	Employs a quantitative approach that focuses on fundamental factors, using models that assess valuation, growth prospects, management decisions, market sentiment, and earnings and balance-sheet quality of companies as compared with their peers.
Cash Investments	4	72	These short-term reserves are invested by Vanguard in equity index products to simulate investment in stocks. Each advisor may also maintain a modest cash position.

Portfolio Profile

As of June 30, 2018

Portfolio Characteristics

	Portfolio	Comparative Index ¹	Broad Index ²
Number of Stocks	426	1,471	3,779
Median Market Cap	\$4.2B	\$4.4B	\$64.B
Price/Earnings Ratio	22.8x	26.2x	20.7x
Price/Book Ratio	4.1x	4.9x	3.0x
Yield ³	0.5%	0.7%	1.8%
Return on Equity	11.7%	11.3%	15.0%
Earnings Growth Rate	13.5%	16.5%	8.3%
Foreign Holdings	1.8%	0.0%	0.0%
Turnover Rate ⁴	76%	—	—
Expense Ratio ⁵	0.34%	—	—
Short-Term Reserves	1.5%	—	—

Volatility Measures

	Portfolio Versus Comparative Index ¹	Portfolio Versus Broad Index ²
R-Squared	0.96	0.78
Beta	1.05	1.20

Sector Diversification (% of equity exposure)

	Portfolio	Comparative Index ¹	Broad Index ²
Consumer Discretionary	18.9%	16.6%	13.2%
Consumer Staples	1.6	2.0	6.2
Energy	1.1	1.9	6.1
Financials	6.5	7.4	14.3
Health Care	20.0	22.0	13.7
Industrials	24.1	17.1	10.2
Information Technology	21.8	24.5	24.7
Materials	3.1	5.1	3.1
Real Estate	2.2	2.5	3.8
Telecommunication Services	0.4	0.7	1.8
Utilities	0.3	0.2	2.9

Ten Largest Holdings⁶ (% of total net assets)

TriNet Group Inc.	Human Resource & Employment Services	1.9%
Sensata Technologies Holding plc	Electrical Components & Equipment	1.3
ServiceMaster Global Holdings Inc.	Specialized Consumer Services	1.2
Grand Canyon Education Inc.	Education Services	1.2
CDW Corp.	Technology Distributors	1.2
Hanesbrands Inc.	Apparel, Accessories & Luxury Goods	1.2
LPL Financial Holdings Inc.	Investment Banking & Brokerage	1.1
Clean Harbors Inc.	Environmental & Facilities Services	1.1
Trimble Inc.	Electronic Equipment & Instruments	0.9
Sally Beauty Holdings Inc.	Specialty Stores	0.9
Top Ten		12.0%

Investment Focus

Style	Value	Blend	Growth
Market Cap	Large		
	Medium		
	Small		

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

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

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

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

¹ Russell 2500 Growth Index.

² Dow Jones U.S. Total Stock Market Float Adjusted Index.

³ 30-day SEC yield for the portfolio; annualized dividend yield for the indexes.

⁴ Annualized.

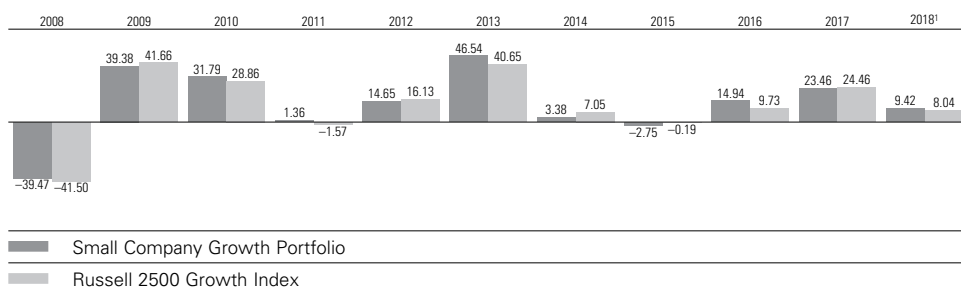
⁵ The expense ratio shown is from the prospectus dated April 26, 2018, and represents estimated costs for the current fiscal year. For the six months ended June 30, 2018, the Small Company Growth Portfolio's annualized expense ratio was 0.34%.

⁶ The holdings listed exclude any temporary cash investments and equity index products.

Performance Summary

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

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



Average Annual Total Returns: Periods Ended June 30, 2018

	Inception Date	One Year	Five Years	Ten Years
Small Company Growth Portfolio	6/3/1996	21.46%	14.30%	13.25%

¹ Six months ended June 30, 2018.

See Financial Highlights for dividend and capital gains information.

Financial Statements (unaudited)

Statement of Net Assets

As of June 30, 2018

The portfolio reports a complete list of its holdings in regulatory filings four times in each fiscal year, at the quarter-ends. For the second and fourth fiscal quarters, the lists appear in the portfolio's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the portfolio files the lists with the Securities and Exchange Commission on Form N-Q. Shareholders can look up the portfolio's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Common Stocks (94.8%)¹						Financials (5.7%)		
Consumer Discretionary (18.1%)			Thor Industries Inc.	18,983	1,849	LPL Financial Holdings Inc.	333,281	21,843
* ServiceMaster Global Holdings Inc.	411,568	24,476	Children's Place Inc.	15,167	1,832	Financial Engines Inc.	375,385	16,855
* Grand Canyon Education Inc.	218,446	24,381	* Burlington Stores Inc.	12,001	1,807	WisdomTree Investments Inc.	829,800	7,535
Hanesbrands Inc.	1,083,135	23,851	* Shake Shack Inc. Class A	24,597	1,628	Bank of the Ozarks	142,569	6,421
* Sally Beauty Holdings Inc.	1,154,620	18,509	* tronc Inc.	75,848	1,311	* Green Dot Corp. Class A	86,376	6,339
Polaris Industries Inc.	139,851	17,087	* Boot Barn Holdings Inc.	59,520	1,235	Primerica Inc.	62,676	6,243
* Skechers U.S.A. Inc. Class A	506,909	15,212	H&R Block Inc.	50,253	1,145	MSCI Inc. Class A	34,659	5,734
Carter's Inc.	139,177	15,085	Brinker International Inc.	20,742	987	* SVB Financial Group	18,685	5,395
Dunkin' Brands Group Inc.	174,186	12,031	* Lumber Liquidators Holdings Inc.	37,096	903	Walker & Dunlop Inc.	92,494	5,147
Wolverine World Wide Inc.	279,140	9,706	Movado Group Inc.	17,725	856	Virtu Financial Inc. Class A	164,831	4,376
Monro Inc.	164,408	9,552	* Cambium Learning Group Inc.	76,574	854	Bank of NT Butterfield & Son Ltd.	81,937	3,746
* Under Armour Inc.	441,951	9,316	Dana Inc.	38,388	775	Houlihan Lokey Inc. Class A	68,421	3,504
Cinemark Holdings Inc.	247,573	8,685	* Zumiez Inc.	29,108	729	Legg Mason Inc.	87,273	3,031
^* RH	59,846	8,361	Entravision Communications Corp. Class A	127,888	639	Universal Insurance Holdings Inc.	85,698	3,008
National CineMedia Inc.	989,304	8,310	* Denny's Corp.	37,567	598	Evercore Inc. Class A	21,209	2,236
* Weight Watchers International Inc.	80,034	8,091	Oxford Industries Inc.	7,116	591	* NMI Holdings Inc. Class A	112,677	1,837
* Helen of Troy Ltd.	66,495	6,546	Six Flags Entertainment Corp.	8,255	578	Synovus Financial Corp.	34,376	1,816
* NVR Inc.	2,142	6,363	* Cooper-Standard Holdings Inc.	4,226	552	* Enova International Inc.	41,360	1,512
* Urban Outfitters Inc.	140,908	6,277	* America's Car-Mart Inc.	8,910	552	East West Bancorp Inc.	18,660	1,217
* Deckers Outdoor Corp.	53,955	6,091				Green Bancorp Inc.	53,226	1,150
Domino's Pizza Inc.	20,825	5,876			361,325	* Regional Management Corp.	31,607	1,107
* Planet Fitness Inc. Class A	128,698	5,655	Consumer Staples (1.4%)			Heritage Insurance Holdings Inc.	63,360	1,056
Lear Corp.	29,297	5,444	Medifast Inc.	42,784	6,852	* Bofl Holding Inc.	20,497	839
Tailored Brands Inc.	208,933	5,332	* Casey's General Stores Inc.	64,929	6,823	^* Credit Acceptance Corp.	2,175	769
World Wrestling Entertainment Inc. Class A	69,949	5,094	* Boston Beer Co. Inc. Class A	11,718	3,512	SEI Investments Co.	12,100	756
Bloomin' Brands Inc.	246,507	4,955	* National Beverage Corp.	27,791	2,971	Enterprise Financial Services Corp.	10,764	581
* Crocs Inc.	278,907	4,912	* USANA Health Sciences Inc.	17,131	1,975	Preferred Bank	8,939	549
Wyndham Hotels & Resorts Inc.	80,661	4,745	Lamb Weston Holdings Inc.	23,826	1,632			114,602
* Penn National Gaming Inc.	136,973	4,601	Calavo Growers Inc.	16,317	1,569	Health Care (19.2%)		
^ PetMed Express Inc.	100,460	4,425	* Sprouts Farmers Market Inc.	70,634	1,559	STERIS plc	140,618	14,766
* MCBC Holdings Inc.	152,762	4,422	* US Foods Holding Corp.	16,397	620	* Syneos Health Inc.	274,355	12,867
Dick's Sporting Goods Inc.	124,351	4,383	* Performance Food Group Co.	16,249	596	* athenahealth Inc.	79,536	12,657
Dine Brands Global Inc.	57,906	4,331	* Chefs' Warehouse Inc.	20,578	587	* Prestige Brands Holdings Inc.	296,214	11,369
* Michael Kors Holdings Ltd.	64,046	4,266				* MEDNAX Inc.	233,044	10,086
Vail Resorts Inc.	14,363	3,938	Energy (0.9%)			* WellCare Health Plans Inc.	35,997	8,864
New York Times Co. Class A	140,892	3,649	* W&T Offshore Inc.	597,162	4,270	^* Immunomedics Inc.	359,487	8,509
Winnbago Industries Inc.	82,112	3,334	* ProPetro Holding Corp.	224,023	3,513	* Catalin Inc.	195,158	8,175
Churchill Downs Inc.	9,718	2,881	* RigNet Inc.	221,753	2,284	* Heron Therapeutics Inc.	208,969	8,118
BJ's Restaurants Inc.	47,294	2,838	^ CVR Energy Inc.	40,937	1,514	Encompass Health Corp.	114,390	7,746
* Live Nation Entertainment Inc.	54,930	2,668	* Solaris Oilfield Infrastructure Inc. Class A	81,426	1,164	* Veeva Systems Inc. Class A	98,378	7,561
* Five Below Inc.	27,206	2,658	* Nine Energy Service Inc.	32,747	1,085	* Nevro Corp.	94,032	7,508
Toll Brothers Inc.	69,718	2,579	* Par Pacific Holdings Inc.	52,259	908	* Medidata Solutions Inc.	91,704	7,388
* ZAGG Inc.	143,564	2,484	* Denbury Resources Inc.	147,930	711	* Neurocrine Biosciences Inc.	74,755	7,344
* Sotheby's	44,986	2,445	* Abraxas Petroleum Corp.	235,984	682	* Chemed Corp.	22,657	7,291
^ Lions Gate Entertainment Corp. Class A	83,683	2,077	* Northern Oil and Gas Inc.	210,879	664	Cooper Cos. Inc.	30,742	7,238
* Sleep Number Corp.	71,303	2,069	* Renewable Energy Group Inc.	36,802	657	* HealthEquity Inc.	94,919	7,128
Ruth's Hospitality Group Inc.	68,202	1,913	* CONSOL Energy Inc.	16,846	646	* DexCom Inc.	73,352	6,967
					18,098	* Inogen Inc.	37,170	6,926
						* Charles River Laboratories International Inc.	61,394	6,892

Small Company Growth Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Exact Sciences Corp.	109,797	6,565	* Addus HomeCare Corp.	14,544	833	* Rush Enterprises Inc. Class A	93,862	4,072
* Haemonetics Corp.	72,082	6,464	* Ensign Group Inc.	22,632	811	* KBR Inc.	217,469	3,897
* PRA Health Sciences Inc.	67,074	6,262	* Reata Pharmaceuticals Inc. Class A	22,196	776	* ArcBest Corp.	72,353	3,307
* Endologix Inc.	1,046,045	5,921	^* MiMedx Group Inc.	121,030	773	* Meritor Inc.	159,512	3,281
* ABIOMED Inc.	13,419	5,489	* Inspire Medical Systems Inc.	21,283	759	* Builders FirstSource Inc.	176,074	3,220
* Masimo Corp.	55,253	5,395	* Exelixis Inc.	31,765	684	* TrueBlue Inc.	110,271	2,972
* Agios Pharmaceuticals Inc.	60,737	5,116	* Pieris Pharmaceuticals Inc.	130,735	663	* Dun & Bradstreet Corp.	24,160	2,963
* Triple-S Management Corp. Class B	127,756	4,990	* Insys Therapeutics Inc.	90,092	652	* Gardner Denver Holdings Inc.	97,885	2,877
* AxoGen Inc.	99,263	4,988	* Conatus Pharmaceuticals Inc.	152,005	651	* Casella Waste Systems Inc. Class A	110,333	2,826
* Atara Biotherapeutics Inc.	133,683	4,913	* NanoString Technologies Inc.	46,499	636	* IDEX Corp.	20,583	2,809
* Revance Therapeutics Inc.	173,625	4,766	* Magellan Health Inc.	6,390	613	* PGT Innovations Inc.	129,087	2,691
* DBV Technologies SA ADR	243,374	4,695	* Marinus Pharmaceuticals Inc.	85,076	601	* H&E Equipment Services Inc.	71,454	2,687
* Ionis Pharmaceuticals Inc.	110,859	4,619	* Epizyme Inc.	44,354	601	* Global Brass & Copper Holdings Inc.	80,156	2,513
* Align Technology Inc.	13,478	4,611	* Surmodics Inc.	10,882	601	* Axon Enterprise Inc.	39,409	2,490
* Insulet Corp.	53,797	4,610	* Mirati Therapeutics Inc.	12,087	596	* Aerojet Rocketdyne Holdings Inc.	82,919	2,445
* Nektar Therapeutics Class A	93,707	4,576	^* Sorrento Therapeutics Inc.	81,463	587	* XPO Logistics Inc.	23,251	2,329
* Omnicell Inc.	80,050	4,199	* Jounce Therapeutics Inc.	74,991	574	* ADT Inc.	267,977	2,318
* Tivity Health Inc.	115,083	4,051	* Voyager Therapeutics Inc.	28,994	567	* Quad/Graphics Inc.	110,437	2,300
* Bruker Corp.	139,280	4,045	* Intellia Therapeutics Inc.	20,542	562	* Copa Holdings SA Class A	22,956	2,172
* Acorda Therapeutics Inc.	140,605	4,035	* Tactile Systems Technology Inc.	10,424	542	* SP Plus Corp.	57,789	2,150
* Spectrum Pharmaceuticals Inc.	192,080	4,026	* Viking Therapeutics Inc.	47,727	453	* Avis Budget Group Inc.	61,386	1,995
* Halozyme Therapeutics Inc.	235,715	3,977	* Corium International Inc.	53,950	432	* CAI International Inc.	79,219	1,841
* Array BioPharma Inc.	212,640	3,568				* Herc Holdings Inc.	32,352	1,823
* Loxo Oncology Inc.	20,498	3,556			382,917	* Insperty Inc.	17,057	1,625
* Akebia Therapeutics Inc.	347,727	3,470	Industrials (23.2%)			* Greenbrier Cos. Inc.	28,526	1,505
* Providence Service Corp.	43,447	3,413	* TriNet Group Inc.	661,106	36,982	* Copart Inc.	24,519	1,387
* Tenet Healthcare Corp.	99,100	3,327	* Sensata Technologies Holding plc	542,122	25,794	* Xylem Inc.	20,147	1,357
* Medpace Holdings Inc.	74,781	3,216	* Clean Harbors Inc.	378,926	21,049	* Kaman Corp.	19,414	1,353
* Mettler-Toledo International Inc.	5,291	3,062	* Multi-Color Corp.	278,379	17,997	* Barrett Business Services Inc.	13,469	1,301
* AMN Healthcare Services Inc.	52,092	3,053	* Kirby Corp.	210,997	17,639	* Primoris Services Corp.	46,880	1,277
* Emergent BioSolutions Inc.	57,650	2,911	* MSC Industrial Direct Co. Inc. Class A	203,958	17,306	* Covanta Holding Corp.	72,495	1,196
* REGENXBIO Inc.	40,052	2,874	* Tennant Co.	211,852	16,736	* Hillenbrand Inc.	25,231	1,190
* Enanta Pharmaceuticals Inc.	22,844	2,648	* HEICO Corp. Class A	247,890	15,109	* Gates Industrial Corp. plc	72,513	1,180
* Phibro Animal Health Corp. Class A	55,277	2,545	* Heartland Express Inc.	789,730	14,649	* SPX FLOW Inc.	25,399	1,112
* Endo International plc	268,484	2,532	* Cimpress NV	92,788	13,451	* KAR Auction Services Inc.	19,464	1,067
* Myriad Genetics Inc.	66,655	2,491	* Forward Air Corp.	212,762	12,570	* Kimball International Inc. Class B	64,327	1,039
* Sangamo Therapeutics Inc.	173,274	2,460	* Middleby Corp.	120,300	12,562	* McGrath RentCorp	15,529	982
* IQVIA Holdings Inc.	22,260	2,222	* Kennametal Inc.	343,767	12,341	* GMS Inc.	36,077	977
* Genomic Health Inc.	41,711	2,102	* John Bean Technologies Corp.	137,410	12,216	* SPX Corp.	27,454	962
* ICU Medical Inc.	6,930	2,035	* ABM Industries Inc.	402,422	11,743	* Spartan Motors Inc.	59,467	898
* PTC Therapeutics Inc.	59,267	1,999	* Allegion plc	136,824	10,585	* Kforce Inc.	21,654	743
* Depomed Inc.	294,781	1,966	* Woodward Inc.	129,364	9,943	* TPI Composites Inc.	22,873	669
* Concert Pharmaceuticals Inc.	116,178	1,955	* Wabtec Corp.	87,191	8,595	* ASGN Inc.	8,418	658
^* TransEnterix Inc.	447,109	1,949	* Evoqua Water Technologies Corp.	387,137	7,936	* Atkore International Group Inc.	26,740	555
^* PolarityTE Inc.	77,397	1,822	* Ritchie Bros Auctioneers Inc.	224,760	7,669	* Old Dominion Freight Line Inc.	3,695	550
* ImmunoGen Inc.	180,464	1,756	* HD Supply Holdings Inc.	177,425	7,610	* Milacron Holdings Corp.	28,925	548
* CytomX Therapeutics Inc.	75,505	1,726	* Graco Inc.	158,349	7,161	* BlueLinx Holdings Inc.	14,255	535
^* PetIQ Inc.	63,181	1,697	* Allison Transmission Holdings Inc.	172,001	6,964	* Sterling Construction Co. Inc.	36,318	473
* MacroGenics Inc.	80,064	1,653	* Proto Labs Inc.	57,643	6,857	* DMC Global Inc.	5,000	224
* Vanda Pharmaceuticals Inc.	86,054	1,639	* CoStar Group Inc.	15,638	6,453			462,636
* FibroGen Inc.	25,916	1,622	* Generac Holdings Inc.	120,425	6,230	Information Technology (20.9%)		
* Luminex Corp.	54,684	1,615	* Huntington Ingalls Industries Inc.	27,132	5,882	* CDW Corp.	299,970	24,235
* Prothema Corp. plc	105,062	1,532	* Harsco Corp.	260,486	5,757	* Trimble Inc.	576,868	18,944
* Madrigal Pharmaceuticals Inc.	5,015	1,403	* EMCOR Group Inc.	70,777	5,392	* SS&C Technologies Holdings Inc.	343,436	17,824
* LeMaitre Vascular Inc.	40,949	1,371	* United Rentals Inc.	36,412	5,375	* LogMeIn Inc.	128,014	13,217
* Endocyte Inc.	89,903	1,241	* Continental Building Products Inc.	141,150	4,453	* Shutterstock Inc.	275,828	13,091
* STAAR Surgical Co.	38,642	1,198	* Spirit AeroSystems Holdings Inc. Class A	49,927	4,289	* CyberArk Software Ltd.	191,779	12,074
* Novavax Inc.	764,712	1,025				* Descartes Systems Group Inc.	331,591	10,777
* IDEXX Laboratories Inc.	4,343	947						
^* CryoPort Inc.	59,317	936						
* NewLink Genetics Corp.	195,928	933						
* CorVel Corp.	16,809	908						
* Orthofix International NV	15,115	859						

Small Company Growth Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Euronet Worldwide Inc.	120,198	10,069	* Care.com Inc.	80,391	1,679	First Industrial Realty Trust Inc.	97,065	3,236
* Advanced Micro Devices Inc.	670,245	10,047	^* Unisys Corp.	130,097	1,678	National Health Investors Inc.	41,852	3,084
j2 Global Inc.	113,019	9,789	* Immersion Corp.	106,805	1,649	EastGroup Properties Inc.	28,865	2,759
^ Switch Inc.	797,818	9,709	* TTEC Holdings Inc.	44,006	1,520	* Marcus & Millichap Inc.	37,199	1,451
* Cadence Design Systems Inc.	210,937	9,136	* PTC Inc.	15,090	1,416	Gaming and Leisure Properties Inc.	28,205	1,010
* Fortinet Inc.	130,127	8,124	* Nanometrics Inc.	30,595	1,083	Universal Health Realty Income Trust	11,100	710
* Etsy Inc.	188,116	7,937	* TechTarget Inc.	37,505	1,065	Taubman Centers Inc.	10,874	639
* Presidio Inc.	584,179	7,653	* A10 Networks Inc.	168,134	1,047	RMR Group Inc. Class A	7,523	590
Belden Inc.	123,343	7,539	* Diodes Inc.	26,949	929	* Altisource Portfolio Solutions SA	19,430	567
* ON Semiconductor Corp.	334,865	7,446	* Cardtronics plc Class A	37,217	900			37,211
* Zebra Technologies Corp.	51,249	7,341	* Arista Networks Inc.	3,216	828	Telecommunication Services (0.4%)		
Booz Allen Hamilton Holding Corp. Class A	162,932	7,125	* Avid Technology Inc.	137,266	714	* Boingo Wireless Inc.	210,287	4,750
* RealPage Inc.	122,483	6,749	* PFSweb Inc.	73,268	712	* Vonage Holdings Corp.	134,173	1,729
* RingCentral Inc. Class A	94,076	6,618	* Endurance International Group Holdings Inc.	69,444	691	* Zayo Group Holdings Inc.	27,865	1,017
Science Applications International Corp.	79,384	6,425	* Rosetta Stone Inc.	42,048	674			7,496
* 2U Inc.	76,458	6,389	* Sykes Enterprises Inc. CoHu Inc.	22,849	658	Utilities (0.2%)		
* Gartner Inc.	47,819	6,355	* Altair Engineering Inc. Class A	18,020	616	NRG Energy Inc.	133,367	4,094
* Nutanix Inc.	121,013	6,241	* Carbonite Inc.	17,199	600	Total Common Stocks (Cost \$1,629,079)		1,893,059
* Cornerstone OnDemand Inc.	130,416	6,186	* Virtusa Corp.	12,211	594	Temporary Cash Investments (6.5%)¹		
^* Stratasys Ltd.	315,368	6,036	* Control4 Corp.	24,283	590	Money Market Fund (6.2%)		
* New Relic Inc.	58,511	5,886	* Axcelis Technologies Inc.	29,009	574	^{3,4} Vanguard Market Liquidity Fund, 2.122%	1,232,660	123,278
Broadridge Financial Solutions Inc.	51,063	5,877	* Cabot Microelectronics Corp.	5,261	566			
* Take-Two Interactive Software Inc.	49,273	5,832	* XO Group Inc.	17,530	561			
^* 3D Systems Corp.	412,490	5,696	* Ichor Holdings Ltd.	25,992	552			
* Atlassian Corp. plc Class A	89,278	5,582	* Entegris Inc.	15,922	540			
* Square Inc.	89,830	5,537	* ANSYS Inc.	2,727	475			
* ChannelAdvisor Corp.	385,815	5,421			418,480			
* GrubHub Inc.	50,832	5,333	Materials (2.9%)					
MAXIMUS Inc.	85,361	5,302	Graphic Packaging Holding Co.	687,660	9,978		Face Amount (\$000)	
* Syntel Inc.	161,259	5,175	Louisiana-Pacific Corp.	207,652	5,652			U.S. Government and Agency Obligations (0.3%)
* Appfolio Inc.	82,634	5,053	Huntsman Corp.	179,018	5,227	⁵ United States Treasury Bill, 1.934%, 10/11/18	300	298
^* Match Group Inc.	123,440	4,782	Westlake Chemical Corp.	46,223	4,975	⁵ United States Treasury Bill, 2.022%-2.078%, 11/15/18	4,200	4,168
* Stamps.com Inc.	17,514	4,432	Boise Cascade Co.	99,777	4,460	United States Treasury Bill, 2.082%, 12/20/18	2,000	1,981
* Workiva Inc.	176,291	4,301	Chemours Co.	100,510	4,459			6,447
* Glu Mobile Inc.	660,638	4,235	Packaging Corp. of America	38,154	4,265	Total Temporary Cash Investments (Cost \$129,731)		129,725
Plantronics Inc.	53,265	4,061	* Koppers Holdings Inc.	96,450	3,699	Total Investments (101.3%) (Cost \$1,758,810)		2,022,784
Teradyne Inc.	98,448	3,748	Greif Inc. Class A	60,948	3,223	Other Assets and Liabilities (-1.3%)		
* Pure Storage Inc. Class A	150,951	3,605	* AdvanSix Inc.	77,111	2,825	Other Assets		12,148
* Apptio Inc. Class A	94,154	3,408	Kronos Worldwide Inc.	91,051	2,051	Liabilities ⁴		(38,342)
* Five9 Inc.	94,943	3,282	* Owens-Illinois Inc.	114,072	1,918			(26,194)
* Aspen Technology Inc.	30,413	2,820	* Verso Corp.	58,720	1,278	Net Assets (100%)		
* NCR Corp.	89,283	2,677	* Ingevity Corp.	11,364	919	Applicable to 83,397,244 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)		1,996,590
* Cargurus Inc.	75,384	2,619	Myers Industries Inc.	37,712	724	Net Asset Value Per Share		\$23.94
* Box Inc.	104,393	2,609	WR Grace & Co.	8,563	628			
* Splunk Inc.	25,726	2,550	* GCP Applied Technologies Inc.	21,664	627			
* Everi Holdings Inc.	334,426	2,408	PolyOne Corp.	13,785	596			
* Fair Isaac Corp.	11,798	2,281			57,504			
MKS Instruments Inc.	23,447	2,244	Other (0.0%)					
* Amkor Technology Inc.	249,726	2,145	² NuPathe Inc. CVR	345,900	—			
* Ultra Clean Holdings Inc.	117,418	1,949	Real Estate (1.9%)					
* SMART Global Holdings Inc.	59,729	1,904	National Storage Affiliates Trust	369,866	11,399			
Systemax Inc.	54,623	1,875	CubeSmart	190,597	6,141			
Versum Materials Inc.	49,777	1,849	Ryman Hospitality Properties Inc.	67,651	5,625			
* ePlus Inc.	19,230	1,809						
^* Ubiquiti Networks Inc.	21,354	1,809						
* Hortonworks Inc.	97,329	1,773						

	Amount (\$000)
Statement of Assets and Liabilities	
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers	1,899,506
Affiliated Issuers	123,278
Total Investments in Securities	2,022,784
Investment in Vanguard	104
Receivables for Investment Securities Sold	9,573
Receivables for Accrued Income	913
Receivables for Capital Shares Issued	1,334
Other Assets	224
Total Assets	2,034,932
Liabilities	
Payables for Investment Securities	
Purchased	8,319
Collateral for Securities on Loan	22,249
Payables to Investment Advisor	510
Payables for Capital Shares Redeemed	4,533
Payables to Vanguard	1,404
Variation Margin Payable—Futures Contracts	149
Other Liabilities	1,178
Total Liabilities	38,342
Net Assets	1,996,590

At June 30, 2018, net assets consisted of:

	Amount (\$000)
Paid-in Capital	1,574,916
Undistributed Net Investment Income	1,733
Accumulated Net Realized Gains	157,322
Unrealized Appreciation (Depreciation)	
Investment Securities	263,974
Futures Contracts	(1,355)
Net Assets	1,996,590

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

[^] Includes partial security positions on loan to broker-dealers.
The total value of securities on loan is \$20,953,000.

1 The portfolio invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the portfolio's effective common stock and temporary cash investment positions represent 98.7% and 2.6%, respectively, of net assets.

2 Security value determined using significant unobservable inputs.

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

4 Includes \$22,249,000 of collateral received for securities on loan.

5 Securities with a value of \$3,375,000 have been segregated as initial margin for open futures contracts.

ADR—American Depositary Receipt.

CVR—Contingent Value Rights.

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				
E-mini Russell 2000 Index	September 2018	932	76,774	(1,355)

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

Statement of Operations

	Six Months Ended June 30, 2018 (\$000)
Investment Income	
Income	
Dividends ¹	5,338
Interest ²	819
Securities Lending—Net	306
Total Income	6,463
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	1,342
Performance Adjustment	66
The Vanguard Group—Note C	
Management and Administrative	1,527
Marketing and Distribution	151
Custodian Fees	19
Shareholders' Reports	13
Trustees' Fees and Expenses	1
Total Expenses	3,119
Net Investment Income	3,344
Realized Net Gain (Loss)	
Investment Securities Sold ²	151,296
Futures Contracts	6,366
Realized Net Gain (Loss)	157,662
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ²	6,230
Futures Contracts	(1,547)
Change in Unrealized Appreciation (Depreciation)	4,683
Net Increase (Decrease) in Net Assets Resulting from Operations	165,689

¹ Dividends are net of foreign withholding taxes of \$7,000.

² Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$791,000, \$6,000, and less than \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2018 (\$000)	Year Ended December 31, 2017 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	3,344	7,461
Realized Net Gain (Loss)	157,662	196,033
Change in Unrealized Appreciation (Depreciation)	4,683	122,310
Net Increase (Decrease) in Net Assets Resulting from Operations	165,689	325,804
Distributions		
Net Investment Income	(7,284)	(7,204)
Realized Capital Gain ¹	(197,105)	(99,295)
Total Distributions	(204,389)	(106,499)
Capital Share Transactions		
Issued	243,482	279,625
Issued in Lieu of Cash Distributions	204,389	106,499
Redeemed	(162,731)	(252,694)
Net Increase (Decrease) from Capital Share Transactions	285,140	133,430
Total Increase (Decrease)	246,440	352,735
Net Assets		
Beginning of Period	1,750,150	1,397,415
End of Period²	1,996,590	1,750,150

¹ Includes fiscal 2018 and 2017 short-term gain distributions totaling \$49,729,000 and \$33,769,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

² Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$1,733,000 and \$5,673,000.

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30, 2018	Year Ended December 31,				
		2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$24.62	\$21.50	\$20.79	\$24.14	\$26.90	\$20.08
Investment Operations						
Net Investment Income	.043 ¹	.109 ¹	.116	.078	.085	.073
Net Realized and Unrealized Gain (Loss) on Investments	2.157	4.652	2.547	(.577)	.610	8.674
Total from Investment Operations	2.200	4.761	2.663	(.499)	.695	8.747
Distributions						
Dividends from Net Investment Income	(.103)	(.111)	(.074)	(.087)	(.075)	(.160)
Distributions from Realized Capital Gains	(2.777)	(1.530)	(1.879)	(2.764)	(3.380)	(1.767)
Total Distributions	(2.880)	(1.641)	(1.953)	(2.851)	(3.455)	(1.927)
Net Asset Value, End of Period	\$23.94	\$24.62	\$21.50	\$20.79	\$24.14	\$26.90
Total Return	9.42%	23.46%	14.94%	-2.75%	3.38%	46.54%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$1,997	\$1,750	\$1,397	\$1,256	\$1,329	\$1,406
Ratio of Total Expenses to Average Net Assets ²	0.34%	0.34%	0.36%	0.37%	0.39%	0.38%
Ratio of Net Investment Income to Average Net Assets	0.40%	0.48%	0.58%	0.33%	0.34%	0.32%
Portfolio Turnover Rate	76%	93%	91%	57%	43%	64%

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

¹ Calculated based on average shares outstanding.

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

Notes to Financial Statements

Small Company Growth 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. Securities for which market quotations are not readily available, or whose values have been affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued at their fair values calculated according to procedures adopted by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the portfolio's pricing time. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. 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.

2. Futures Contracts: The portfolio uses index futures contracts to a limited extent, with the objective of maintaining full exposure to the stock market while maintaining liquidity. The portfolio may purchase or sell futures contracts to achieve a desired level of investment, whether to accommodate portfolio turnover or cash flows from capital share transactions. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract.

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

During the six months ended June 30, 2018, the portfolio's average investments in long and short futures contracts represented 4% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2014–2017), and for the period ended June 30, 2018, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

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

5. 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. 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.

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

The portfolio had no borrowings outstanding at June 30, 2018, or at any time during the period then ended.

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

B. The investment advisory firm ArrowMark Colorado Holdings, LLC, provides investment advisory services to a portion of the portfolio for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fee of ArrowMark Colorado Holdings, LLC, is subject to quarterly adjustments based on performance relative to the Russell 2500 Growth Index since March 31, 2016.

Vanguard provides investment advisory services to a portion of the portfolio as described below; the portfolio paid Vanguard advisory fees of \$412,000 for the six months ended June 30, 2018.

For the six months ended June 30, 2018, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.15% of the portfolio's average net assets, before an increase of \$66,000 (0.01%) 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 investment advisory, 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. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the portfolio's liability for these costs of operations is included in Payables to Vanguard on the Statement of Assets and Liabilities. All other costs of operations payable to Vanguard are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2018, the portfolio had contributed to Vanguard capital in the amount of \$104,000, representing 0.01% of the portfolio's net assets and 0.04% of Vanguard's capitalization. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

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

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

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

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

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

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	1,893,059	—	—
Temporary Cash Investments	123,278	6,447	—
Futures Contracts—Liabilities ¹	(149)	—	—
Total	2,016,188	6,447	—

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

E. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain, or loss are recognized in different periods for financial statement and tax purposes. These differences will

reverse at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes. The portfolio's tax-basis capital gains and losses are determined only at the end of each fiscal year.

At June 30, 2018, the cost of investment securities for tax purposes was \$1,758,810,000. Net unrealized appreciation of investment securities for tax purposes was \$263,974,000, consisting of unrealized gains of \$338,451,000 on securities that had risen in value since their purchase and \$74,477,000 in unrealized losses on securities that had fallen in value since their purchase.

F. During the six months ended June 30, 2018, the portfolio purchased \$726,703,000 of investment securities and sold \$664,492,000 of investment securities, other than temporary cash investments.

G. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2018	Year Ended December 31, 2017
	Shares (000)	Shares (000)
Issued	10,123	12,208
Issued in Lieu of Cash Distributions	8,894	5,074
Redeemed	(6,719)	(11,169)
Net Increase (Decrease) in Shares Outstanding	12,298	6,113

At June 30, 2018, one shareholder, an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders, was the record or beneficial owner of 45% of the portfolio's net assets. If the shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio or cause the portfolio to incur higher transaction costs.

H. Management has determined that no events or transactions occurred subsequent to June 30, 2018, that would require recognition or disclosure in these financial statements.

About Your Portfolio's Expenses

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

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

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

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

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your portfolio under the heading "Expenses Paid During Period."

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

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

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

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

Six Months Ended June 30, 2018

	Beginning Account Value 12/31/2017	Ending Account Value 6/30/2018	Expenses Paid During Period ¹
Small Company Growth Portfolio			
Based on Actual Portfolio Return	\$1,000.00	\$1,094.21	\$1.77
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.11	1.71

¹ The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.34%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

Trustees Approve Advisory Arrangements

The board of trustees of Vanguard Variable Insurance Fund Small Company Growth Portfolio has renewed the portfolio's investment advisory arrangements with ArrowMark Colorado Holdings, LLC (ArrowMark Partners), and The Vanguard Group, Inc. (Vanguard), through its Quantitative Equity Group. The board determined that renewing the portfolio's advisory arrangements was in the best interests of the portfolio and its shareholders.

The board based its decisions upon an evaluation of each 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 advisors and made monthly presentations to the board during the fiscal year that directed the board's focus to relevant information and topics.

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

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

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

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term and took into account the organizational depth and stability of each advisor. The board considered the following:

ArrowMark Partners. Founded in 2007, ArrowMark Partners offers a wide range of investment strategies, including equity, fixed income, and structured products, to institutional, high net-worth, and retail investors. ArrowMark Partners has managed a portion of the portfolio since 2016.

Vanguard. Vanguard has been managing investments for more than four decades. The Quantitative Equity Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth. Vanguard has managed a portion of the portfolio since 2008.

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

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 arrangements should continue. Information about the portfolio's most recent performance can be found in the Performance Summary section of this report.

Cost

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

The board did not consider the profitability of ArrowMark Partners in determining whether to approve the advisory fee, because the firm is independent of Vanguard and the advisory fee is the result of arm's-length negotiations. The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique "at-cost" structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees and produces "profits" only in the form of reduced expenses for shareholders.

The benefit of economies of scale

The board concluded that the portfolio realizes economies of scale that are built into the negotiated advisory fee rate with ArrowMark Partners without any need for asset-level breakpoints. The advisory fee rate is very low relative to the average rate paid by funds in the portfolio's peer group. The board also concluded that the portfolio's at-cost arrangement with Vanguard ensures that the portfolio will realize economies of scale as it grows, with the cost to shareholders declining as the portfolio's assets managed by Vanguard increase.

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

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The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 208 Vanguard funds.

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

Interested Trustees¹

F. William McNabb III

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

Mortimer J. Buckley

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

Independent Trustees

Emerson U. Fullwood

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

Amy Gutmann

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

JoAnn Heffernan Heisen

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

F. Joseph Loughrey

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

Mark Loughridge

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

Scott C. Malpass

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

Deanna Mulligan

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

André F. Perold

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

Sarah Bloom Raskin

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

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

Peter F. Volanakis

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

Executive Officers**Glenn Booraem**

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

Christine M. Buchanan

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

Brian Dvorak

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

Thomas J. Higgins

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

Peter Mahoney

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

Anne E. Robinson

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

Michael Rollings

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

Vanguard Senior Management Team

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

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

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

Founder**John C. Bogle**

Chairman and Chief Executive Officer, 1974–1996



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You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or sec.gov.

All comparative mutual fund data are from Lipper, a Thomson Reuters Company, or Morningstar, Inc., unless otherwise noted.

You can review and copy information about your portfolio at the SEC's Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at 202-551-8090. Information about your portfolio is also available on the SEC's website, and you can receive copies of this information, for a fee, by sending a request in either of two ways: via email addressed to publicinfo@sec.gov or via regular mail addressed to the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-1520.

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