



Annual Report | December 31, 2019

Vanguard Variable Insurance Fund

Equity Index Portfolio

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

Important information about access to shareholder reports

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

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

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

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A Note From Our Chairman



Tim Buckley
Chairman and Chief Executive Officer

Dear Planholder,

Recent volatility in financial markets— affecting stocks, bonds, and commodities— has been a good reminder of the wise old adage, “Never keep all your eggs in one basket.” Maintaining balance and diversification in your investment portfolio can help to both limit risk and set you up for long-term success.

It’s understandable why some investors might become complacent after a long market run-up like the one that lifted stock prices, especially U.S. stock prices, in the years following the global financial crisis. But failing to rebalance regularly can leave a portfolio with a much different mix of assets than intended and, often, more risk than intended.

Balance across and diversification within asset classes are powerful tools for managing risk and achieving your investment goals. A portfolio’s allocation will determine a large portion of its long-term return and also the majority of its volatility risk. A well-diversified portfolio is less vulnerable to significant swings in the performance of any one segment of the asset classes in which it invests.

Balance and diversification will never eliminate the risk of loss, nor will they guarantee positive returns in a declining market. But they may reduce the chance that you’ll suffer disproportionate losses in one particular high-flying asset class or sector when it comes back to earth. And exposure to all key market components should give you at least some participation in the sectors that are performing best at any given time.

Vanguard is committed to helping you achieve balance and diversification in your portfolios to help meet your investment goals. We thank you for your continued loyalty.

Sincerely,

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

Mortimer J. Buckley
Chairman and Chief Executive Officer
January 23, 2020

Equity Index Portfolio

Your Portfolio's Performance at a Glance

- For the 12 months ended December 31, 2019, the Equity Index Portfolio of Vanguard Variable Insurance Fund returned 31.30%, in line with the 31.49% return of its benchmark index after factoring in the portfolio's expenses.
- Stocks benefited from accommodative monetary policies from the Federal Reserve and other major central banks and better-than-expected corporate earnings during the 12 months. Large-capitalization stocks outpaced mid- and small-caps, and growth stocks beat their value counterparts.
- The portfolio benefited most from its holdings in information technology, financials, and communication services.
- The portfolio recorded an average annual return of 13.40% for the past ten years, in line with its benchmark average of 13.56%.
- Please note that the portfolio returns in Vanguard Variable Insurance Fund are different from those in Vanguard Variable Annuity (and other plans that invest in the fund), which take into account insurance-related expenses.

Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2019		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	31.43%	15.05%	11.48%
Russell 2000 Index (Small-caps)	25.53	8.59	8.23
Russell 3000 Index (Broad U.S. market)	31.02	14.57	11.24
FTSE All-World ex US Index (International)	21.81	9.96	5.83
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	8.72%	4.03%	3.05%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	7.54	4.72	3.53
FTSE Three-Month U.S. Treasury Bill Index	2.25	1.65	1.04
CPI			
Consumer Price Index	2.29%	2.10%	1.82%

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 in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended December 31, 2019

	Beginning Account Value 6/30/2019	Ending Account Value 12/31/2019	Expenses Paid During Period
Equity Index Portfolio			
Based on Actual Portfolio Return	\$1,000.00	\$1,108.53	\$0.74
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.50	\$0.71

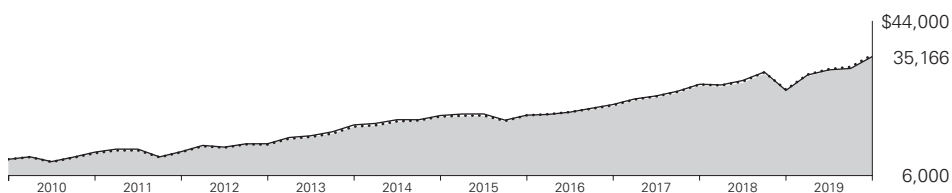
The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.14%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the recent 12-month period (184/365).

Performance Summary

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

Cumulative Performance: December 31, 2009–December 31, 2019

Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended December 31, 2019			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Equity Index Portfolio	31.30%	11.55%	13.40%	\$35,166
S&P 500 Index	31.49	11.70	13.56	35,666
Dow Jones U.S. Total Stock Market Float Adjusted Index	30.90	11.18	13.43	35,251

Sector Diversification

As of December 31, 2019

Communication Services	10.4%
Consumer Discretionary	9.7
Consumer Staples	7.2
Energy	4.3
Financials	13.0
Health Care	14.2
Industrials	9.1
Information Technology	23.2
Materials	2.7
Real Estate	2.9
Utilities	3.3

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

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

Financial Statements

Statement of Net Assets

As of December 31, 2019

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 (99.4%)¹								
Communication Services (10.3%)								
* Facebook Inc. Class A	577,310	118,493	Las Vegas Sands Corp.	81,149	5,603	Mondelez International Inc.		
* Alphabet Inc. Class C	72,211	96,548	Royal Caribbean Cruises Ltd.	41,235	5,505	Class A	345,368	19,023
* Alphabet Inc. Class A	71,372	95,595	* Dollar Tree Inc.	56,825	5,344	Colgate-Palmolive Co.	205,612	14,154
AT&T Inc.	1,752,449	68,486	* Chipotle Mexican Grill Inc.			Kimberly-Clark Corp.	82,232	11,311
Walt Disney Co.	432,394	62,537	Class A	6,135	5,136	Estee Lauder Cos. Inc.		
Verizon Communications Inc.	992,155	60,918	Carnival Corp.	96,154	4,887	Walgreens Boots Alliance Inc.	179,879	10,606
Comcast Corp. Class A	1,089,103	48,977	Best Buy Co. Inc.	54,650	4,798	Sysco Corp.	122,366	10,467
* Netflix Inc.	105,138	34,020	DR Horton Inc.	80,515	4,247	General Mills Inc.	144,955	7,764
* Charter Communications Inc. Class A	37,611	18,244	MGM Resorts International	123,705	4,116	Constellation Brands Inc.		
Activision Blizzard Inc.	184,305	10,952	Genuine Parts Co.	34,889	3,706	Class A	40,188	7,626
* Electronic Arts Inc.	70,042	7,530	Lennar Corp. Class A	66,408	3,705	Tyson Foods Inc. Class A	70,805	6,446
* Twitter Inc.	186,254	5,970	Expedia Group Inc.	33,565	3,630	Archer-Daniels-Midland Co.	133,597	6,192
* T-Mobile US Inc.	75,950	5,956	* Ultra Beauty Inc.	13,732	3,476	Monster Beverage Corp.	91,595	5,821
ViacomCBS Inc. Class B	129,668	5,442	Tiffany & Co.	25,932	3,466	Kroger Co.	192,411	5,578
Omnicom Group Inc.	52,251	4,233	* CarMax Inc.	39,501	3,463	Hershey Co.	35,580	5,230
* Take-Two Interactive Software Inc.	27,192	3,329	Garmin Ltd.	34,574	3,373	McCormick & Co. Inc.	29,648	5,032
Fox Corp. Class A	85,582	3,173	Wynn Resorts Ltd.	23,215	3,224	Kraft Heinz Co.	149,463	4,802
CenturyLink Inc.	235,800	3,115	Hasbro Inc.	30,470	3,218	Clorox Co.	30,111	4,623
* Discovery Inc. Series C	80,628	2,458	Darden Restaurants Inc.	29,457	3,211	Church & Dwight Co. Inc.	58,915	4,144
* Live Nation Entertainment Inc.	33,726	2,410	* NVR Inc.	834	3,176	Kellogg Co.	59,649	4,125
* DISH Network Corp. Class A	61,432	2,179	* Norwegian Cruise Line Holdings Ltd.	50,948	2,976	Conagra Brands Inc.	116,853	4,001
Interpublic Group of Cos. Inc.	93,330	2,156	Advance Auto Parts Inc.	16,657	2,668	Lamb Weston Holdings Inc.	35,105	3,020
News Corp. Class A	110,023	1,556	Tractor Supply Co.	28,472	2,660	Hormel Foods Corp.	66,824	3,014
Fox Corp. Class B	38,277	1,393	* LKQ Corp.	73,701	2,631	Brown-Forman Corp.		
* Discovery Inc. Series A	37,907	1,241	PulteGroup Inc.	61,103	2,371	Class B	43,605	2,948
News Corp. Class B	12,487	181	Whirlpool Corp.	15,126	2,232	JM Smucker Co.	27,417	2,855
		667,092	BorgWarner Inc.	49,420	2,144	Molson Coors Brewing Co.		
Consumer Discretionary (9.7%)			* Mohawk Industries Inc.	14,225	1,940	Class B	44,960	2,423
* Amazon.com Inc.	99,911	184,620	Kohl's Corp.	37,467	1,909	Campbell Soup Co.	40,424	1,998
Home Depot Inc.	261,686	57,147	PVH Corp.	17,743	1,866	Coty Inc. Class A	70,883	797
McDonald's Corp.	180,654	35,699	Tapestry Inc.	66,031	1,781			462,391
NIKE Inc. Class B	298,992	30,291	Newell Brands Inc.	91,185	1,753	Energy (4.3%)		
Starbucks Corp.	283,276	24,906	Leggett & Platt Inc.	31,487	1,600	E Exxon Mobil Corp.	1,015,102	70,834
Lowe's Cos. Inc.	183,875	22,021	Ralph Lauren Corp.			Chevron Corp.	453,635	54,668
* Booking Holdings Inc.	10,041	20,621	Class A	11,900	1,395	ConocoPhillips	263,270	17,120
TJX Cos. Inc.	290,877	17,761	* Capri Holdings Ltd.	36,285	1,384	Schlumberger Ltd.	332,214	13,355
Target Corp.	121,556	15,585	Harley-Davidson Inc.	36,867	1,371	Phillips 66	106,608	11,877
General Motors Co.	301,722	11,043	Hanesbrands Inc.	86,582	1,286	EOG Resources Inc.	139,601	11,693
Ross Stores Inc.	86,754	10,100	Macy's Inc.	73,934	1,257	Kinder Morgan Inc.	467,361	9,894
Marriott International Inc.			H&R Block Inc.	46,949	1,102	Marathon Petroleum Corp.	155,793	9,387
Class A	65,085	9,856	Nordstrom Inc.	25,631	1,049	Valero Energy Corp.	98,527	9,227
Dollar General Corp.	61,067	9,525	L Brands Inc.	55,576	1,007	Occidental Petroleum Corp.	214,354	8,834
Ford Motor Co.	934,365	8,690	*^ Under Armour Inc.			ONEOK Inc.	99,108	7,500
* O'Reilly Automotive Inc.	18,148	7,954	Class A	46,263	999	Williams Cos. Inc.	290,862	6,899
VF Corp.	78,624	7,836	Gap Inc.	50,910	900	Pioneer Natural Resources Co.	39,752	6,017
Hilton Worldwide Holdings Inc.			* Under Armour Inc.			Halliburton Co.	210,696	5,156
Inc.	67,676	7,506	Class C	45,229	867	Concho Resources Inc.	48,270	4,227
Yum! Brands Inc.	72,543	7,307	Lennar Corp. Class B	1,030	46	Hess Corp.	62,151	4,152
* AutoZone Inc.	5,715	6,808			626,196	Baker Hughes Co. Class A	155,953	3,997
eBay Inc.	183,449	6,624	Consumer Staples (7.2%)			Diamondback Energy Inc.	38,675	3,591
Aptiv plc	61,265	5,818	Procter & Gamble Co.	598,253	74,722	Noble Energy Inc.	114,490	2,844
			Coca-Cola Co.	925,112	51,205	Marathon Oil Corp.	191,490	2,600
			PepsiCo Inc.	334,534	45,721	Devon Energy Corp.	92,641	2,406
			Walmart Inc.	340,295	40,441	National Oilwell Varco Inc.	92,356	2,314
			Philip Morris International Inc.			Apache Corp.	90,006	2,303
			Inc.	373,246	31,759	TechnipFMC plc	100,593	2,157
			Costco Wholesale Corp.	105,974	31,148	HollyFrontier Corp.	35,543	1,802
			Altria Group Inc.	448,148	22,367			

Equity Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Cabot Oil & Gas Corp.	97,645	1,700	Everest Re Group Ltd.	9,808	2,715	STERIS plc	20,374	3,105
Cimarex Energy Co.	24,374	1,279	Raymond James Financial Inc.	29,688	2,656	* Varian Medical Systems Inc.	21,843	3,102
Helmerich & Payne Inc.	26,103	1,186	Globe Life Inc.	23,846	2,510	AmerisourceBergen Corp. Class A	36,028	3,063
		279,019	Comerica Inc.	34,500	2,475	Dentsply Sirona Inc.	53,455	3,025
Financials (12.9%)			E*TRADE Financial Corp.	54,349	2,466	Universal Health Services Inc. Class B	19,248	2,761
JPMorgan Chase & Co.	752,435	104,889	WR Berkley Corp.	34,736	2,400	PerkinElmer Inc.	26,711	2,594
* Berkshire Hathaway Inc. Class B	437,823	99,167	Zions Bancorp NA	40,798	2,118	* Mylan NV	123,531	2,483
Bank of America Corp.	1,942,181	68,404	Assurant Inc.	14,586	1,912	* Henry Schein Inc.	35,202	2,349
Wells Fargo & Co.	923,324	49,675	People's United Financial Inc.	106,292	1,796	* ABIOMED Inc.	10,806	1,843
Citigroup Inc.	523,776	41,844	Franklin Resources Inc.	66,742	1,734	Perrigo Co. plc	32,577	1,683
US Bancorp	340,918	20,213	Invesco Ltd.	89,065	1,601	* DaVita Inc.	21,432	1,608
American Express Co.	160,955	20,037	Unum Group	49,546	1,445			911,749
Truist Financial Corp.	321,697	18,118			831,400			
Goldman Sachs Group Inc.	76,459	17,580	Health Care (14.1%)			Industrials (9.0%)		
CME Group Inc.	85,964	17,255	Johnson & Johnson	631,389	92,101	Boeing Co.	128,265	41,784
Chubb Ltd.	108,717	16,923	UnitedHealth Group Inc.	227,287	66,818	Honeywell International Inc.	171,403	30,338
PNC Financial Services Group Inc.	105,099	16,777	Merck & Co. Inc.	610,782	55,551	Union Pacific Corp.	166,545	30,110
S&P Global Inc.	58,624	16,007	Pfizer Inc.	1,327,673	52,018	United Technologies Corp.	194,638	29,149
Morgan Stanley	295,128	15,087	Abbott Laboratories	423,980	36,827	3M Co.	137,967	24,340
BlackRock Inc.	28,289	14,221	Medtronic plc	321,536	36,478	General Electric Co.	2,095,232	23,383
Marsh & McLennan Cos. Inc.	121,057	13,487	Bristol-Myers Squibb Co.	562,369	36,098	Lockheed Martin Corp.	59,542	23,184
Charles Schwab Corp.	274,275	13,045	Amgen Inc.	142,542	34,363	United Parcel Service Inc. Class B	168,103	19,678
Intercontinental Exchange Inc.	133,555	12,361	AbbVie Inc.	354,771	31,411	Caterpillar Inc.	132,592	19,581
Aon plc	56,158	11,697	Thermo Fisher Scientific Inc.	96,195	31,251	Raytheon Co.	66,806	14,680
Capital One Financial Corp.	111,734	11,499	Eli Lilly & Co.	202,699	26,641	CSX Corp.	186,562	13,500
American International Group Inc.	208,725	10,714	Danaher Corp.	153,350	23,536	Deere & Co.	75,542	13,088
Progressive Corp.	140,247	10,153	CVS Health Corp.	312,110	23,187	Northrop Grumman Corp.	37,600	12,933
Bank of New York Mellon Corp.	201,333	10,133	Gilead Sciences Inc.	303,516	19,722	Illinois Tool Works Inc.	70,161	12,603
MetLife Inc.	187,574	9,561	Anthem Inc.	60,831	18,373	Norfolk Southern Corp.	62,555	12,144
Aflac Inc.	176,067	9,314	Cigna Corp.	89,588	18,320	Emerson Electric Co.	146,140	11,145
Moody's Corp.	38,947	9,246	Becton Dickinson and Co.	64,882	17,646	Waste Management Inc.	93,617	10,669
Prudential Financial Inc.	96,476	9,044	* Intuitive Surgical Inc.	27,726	16,390	L3Harris Technologies Inc.	53,029	10,493
Allstate Corp.	77,686	8,736	Stryker Corp.	77,237	16,215	General Dynamics Corp.	56,225	9,915
Travelers Cos. Inc.	61,915	8,479	Zoetis Inc.	114,258	15,122	Eaton Corp. plc	99,169	9,393
* Berkshire Hathaway Inc. Class A	21	7,131	* Boston Scientific Corp.	334,354	15,119	Roper Technologies Inc.	24,959	8,841
State Street Corp.	87,241	6,901	* Allergan plc	78,753	15,055	FedEx Corp.	57,590	8,708
T. Rowe Price Group Inc.	56,043	6,828	* Vertex Pharmaceuticals Inc.	61,684	13,506	Delta Air Lines Inc.	138,054	8,073
Discover Financial Services	75,182	6,377	* Biogen Inc.	43,289	12,845	Ingersoll-Rand plc	57,459	7,637
Willis Towers Watson plc	30,839	6,228	* Illumina Inc.	35,266	11,699	Johnson Controls International plc	185,035	7,533
Northern Trust Corp.	50,831	5,400	* Edwards Lifesciences Corp.	50,030	11,671	* IHS Markit Ltd.	96,162	7,246
M&T Bank Corp.	31,660	5,374	Humana Inc.	31,769	11,644	TransDigm Group Inc.	11,946	6,690
MSCI Inc. Class A	20,336	5,250	Baxter International Inc.	122,469	10,241	Cummins Inc.	36,747	6,576
Hartford Financial Services Group Inc.	86,390	5,250	HCA Healthcare Inc.	63,476	9,382	PACCAR Inc.	82,955	6,562
Fifth Third Bancorp	170,283	5,235	Zimmer Biomet Holdings Inc.	49,334	7,384	Parker-Hannifin Corp.	30,820	6,343
Synchrony Financial	142,636	5,136	* Regeneron Pharmaceuticals Inc.	19,163	7,195	Southwest Airlines Co.	113,602	6,132
Ameriprise Financial Inc.	30,400	5,064	* IQVIA Holdings Inc.	43,289	6,689	Stanley Black & Decker Inc.	36,471	6,045
KeyCorp	236,396	4,785	Agilent Technologies Inc.	74,258	6,335	Verisk Analytics Inc. Class A	39,311	5,871
First Republic Bank	40,416	4,747	* Centene Corp.	99,274	6,241	Rockwell Automation Inc.	27,721	5,618
Arthur J Gallagher & Co.	44,695	4,256	McKesson Corp.	43,230	5,980	AMETEK Inc.	54,838	5,470
Citizens Financial Group Inc.	104,378	4,239	* Alexion Pharmaceuticals Inc.	53,090	5,742	Fortive Corp.	70,966	5,421
Regions Financial Corp.	231,638	3,975	Cerner Corp.	75,351	5,530	Cintas Corp.	20,113	5,412
Cincinnati Bancorp.	36,489	3,837	* IDEXX Laboratories Inc.	20,579	5,374	Fastenal Co.	137,593	5,084
Huntington Bancshares Inc.	248,048	3,741	ResMed Inc.	34,487	5,344	* United Airlines Holdings Inc.	52,229	4,601
MarketAxess Holdings Inc.	9,088	3,445	* Align Technology Inc.	17,211	4,803	Republic Services Inc. Class A	50,553	4,531
Principal Financial Group Inc.	62,045	3,412	* Mettler-Toledo International Inc.	5,836	4,630	* Copart Inc.	49,102	4,465
Loews Corp.	61,390	3,222	Teleflex Inc.	11,094	4,176	Equifax Inc.	29,051	4,071
Cboe Global Markets Inc.	26,640	3,197	* WellCare Health Plans Inc.	12,067	3,985	Dover Corp.	34,891	4,021
* SVB Financial Group	12,394	3,111	* Laboratory Corp. of America Holdings	23,310	3,943	Kansas City Southern	23,807	3,646
Nasdaq Inc.	27,580	2,954	Cooper Cos. Inc.	11,904	3,825	WW Grainger Inc.	10,459	3,541
Lincoln National Corp.	47,637	2,811	* Incyte Corp.	42,929	3,749	Xylem Inc.	43,256	3,408
			* Waters Corp.	15,472	3,615	Westinghouse Air Brake Technologies Corp.	43,689	3,399
			Cardinal Health Inc.	70,237	3,553	Masco Corp.	68,235	3,275
			Quest Diagnostics Inc.	32,348	3,454			
			* Hologic Inc.	64,272	3,356			

Equity Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Expeditors International of Washington Inc.	40,915	3,192	KLA Corp.	37,844	6,743	Avery Dennison Corp.	20,017	2,619
IDEX Corp.	18,274	3,143	Motorola Solutions Inc.	41,096	6,622	Eastman Chemical Co.	32,621	2,586
* United Rentals Inc.	18,060	3,012	Paychex Inc.	76,409	6,499	Packaging Corp. of America	22,654	2,537
Jacobs Engineering Group Inc.	32,573	2,926	Microchip Technology Inc.	57,326	6,003	CF Industries Holdings Inc.	52,302	2,497
Old Dominion Freight Line Inc.	15,302	2,904	* FleetCor Technologies Inc.	20,816	5,989	Albemarle Corp.	25,372	1,853
Arconic Inc.	93,043	2,863	Xilinx Inc.	60,328	5,898	Mosaic Co.	83,663	1,810
Allegion plc	22,270	2,773	Corning Inc.	184,537	5,372	Sealed Air Corp.	36,974	1,473
American Airlines Group Inc.	93,752	2,689	* ANSYS Inc.	20,533	5,285			170,433
CH Robinson Worldwide Inc.	32,528	2,544	* Synopsys Inc.	36,091	5,024	Real Estate (2.9%)		
Huntington Ingalls Industries Inc.	9,788	2,456	Skyworks Solutions Inc.	40,881	4,942	American Tower Corp.	106,260	24,421
Textron Inc.	54,744	2,442	CDW Corp.	34,476	4,925	Crown Castle International Corp.	99,743	14,178
JB Hunt Transport Services Inc.	20,404	2,383	Hewlett Packard Enterprise Co.	310,513	4,925	Prologis Inc.	151,543	13,508
Snap-on Inc.	13,135	2,225	* VeriSign Inc.	24,794	4,777	Equinix Inc.	20,456	11,940
Fortune Brands Home & Security Inc.	33,475	2,187	* Cadence Design Systems Inc.	67,224	4,663	Simon Property Group Inc.	73,636	10,969
Alaska Air Group Inc.	29,477	1,997	* Keysight Technologies Inc.	44,993	4,618	Welltower Inc.	97,336	7,960
Pentair plc	40,215	1,845	Western Digital Corp.	71,388	4,531	Public Storage	36,035	7,674
Robert Half International Inc.	28,132	1,776	Maxim Integrated Products Inc.	64,963	3,996	AvalonBay Communities Inc.	33,496	7,024
Nielsen Holdings plc	85,151	1,729	* Fortinet Inc.	34,063	3,637	Equity Residential	83,726	6,775
AO Smith Corp.	32,910	1,568	NortonLifeLock Inc.	137,740	3,515	SBA Communications Corp. Class A	27,016	6,511
Flowserve Corp.	31,307	1,558	NetApp Inc.	54,830	3,413	Digital Realty Trust Inc.	50,075	5,996
Quanta Services Inc.	34,051	1,386	Broadridge Financial Solutions Inc.	27,543	3,403	Realty Income Corp.	78,184	5,757
Rollins Inc.	33,685	1,117	* Akamai Technologies Inc.	38,828	3,354	Weyerhaeuser Co.	178,793	5,399
		581,045	* Gartner Inc.	21,496	3,313	Ventas Inc.	89,430	5,164
Information Technology (23.1%)			Seagate Technology plc	55,545	3,305	* CBRE Group Inc. Class A	80,334	4,924
Apple Inc.	1,001,977	294,231	Citrix Systems Inc.	29,409	3,261	Essex Property Trust Inc.	15,859	4,771
Microsoft Corp.	1,830,140	288,613	* Qorvo Inc.	27,923	3,245	Boston Properties Inc.	34,510	4,757
Visa Inc. Class A	410,650	77,161	* Zebra Technologies Corp.	12,553	3,207	Alexandria Real Estate Equities Inc.	27,646	4,467
Mastercard Inc. Class A	212,955	63,586	Leidos Holdings Inc.	31,967	3,129	Healthpeak Properties Inc.	118,842	4,096
Intel Corp.	1,043,559	62,457	Western Union Co.	100,812	2,700	Mid-America Apartment Communities Inc.	27,339	3,605
Cisco Systems Inc.	1,017,763	48,812	Jack Henry & Associates Inc.	18,501	2,695	UDR Inc.	70,406	3,288
* Adobe Inc.	116,124	38,299	* Arista Networks Inc.	12,983	2,641	Extra Space Storage Inc.	31,120	3,287
* salesforce.com Inc.	212,786	34,607	DXC Technology Co.	61,270	2,303	Host Hotels & Resorts Inc.	172,322	3,197
NVIDIA Corp.	146,818	34,546	* F5 Networks Inc.	14,627	2,043	Duke Realty Corp.	88,342	3,063
Accenture plc Class A	152,333	32,077	Juniper Networks Inc.	80,114	1,973	Regency Centers Corp.	40,102	2,530
* PayPal Holdings Inc.	281,686	30,470	FLIR Systems Inc.	32,314	1,683	Vornado Realty Trust	37,905	2,521
Broadcom Inc.	95,160	30,072	Xerox Holdings Corp.	44,500	1,641	Iron Mountain Inc.	69,123	2,203
Texas Instruments Inc.	224,242	28,768	* IPG Photonics Corp.	8,509	1,233	Federal Realty Investment Trust	16,806	2,163
International Business Machines Corp.	212,466	28,479	Alliance Data Systems Corp.	9,809	1,101	Kimco Realty Corp.	101,049	2,093
Oracle Corp.	519,725	27,535			1,489,073			
QUALCOMM Inc.	273,926	24,168	Materials (2.6%)			Apartment Investment & Management Co.	35,620	1,840
Fidelity National Information Services Inc.	147,425	20,505	Linde plc	128,862	27,435	SL Green Realty Corp.	19,511	1,793
Automatic Data Processing Inc.	103,785	17,695	Air Products & Chemicals Inc.	52,876	12,425	Macerich Co.	1,770	48
Intuit Inc.	62,442	16,355	Ecolab Inc.	60,155	11,609			187,922
* Fiserv Inc.	136,995	15,841	Sherwin-Williams Co.	19,708	11,500	Utilities (3.3%)		
* Micron Technology Inc.	265,584	14,283	DuPont de Nemours Inc.	177,749	11,412	NextEra Energy Inc.	117,247	28,393
Applied Materials Inc.	221,593	13,526	Dow Inc.	177,906	9,737	Dominion Energy Inc.	197,439	16,352
Global Payments Inc.	72,083	13,159	Newmont Goldcorp Corp.	196,646	8,544	Southern Co.	251,561	16,024
* ServiceNow Inc.	45,242	12,773	PPG Industries Inc.	56,726	7,572	Duke Energy Corp.	174,914	15,954
* Advanced Micro Devices Inc.	267,151	12,252	LyondellBasell Industries NV Class A	61,602	5,820	American Electric Power Co. Inc.	118,482	11,198
Analog Devices Inc.	88,346	10,499	Corteva Inc.	179,713	5,312	Exelon Corp.	233,252	10,634
Lam Research Corp.	34,799	10,175	Ball Corp.	78,495	5,076	Sempra Energy	67,616	10,242
* Autodesk Inc.	52,783	9,684	Freeport-McMoRan Inc.	348,269	4,569	Xcel Energy Inc.	125,783	7,986
Cognizant Technology Solutions Corp. Class A	131,352	8,146	Vulcan Materials Co.	31,715	4,567	Consolidated Edison Inc.	79,726	7,213
Amphenol Corp. Class A	71,110	7,696	International Paper Co.	94,099	4,333	Public Service Enterprise Group Inc.	121,309	7,163
TE Connectivity Ltd.	80,249	7,691	Amcor plc	388,930	4,216	WEC Energy Group Inc.	75,645	6,977
HP Inc.	355,478	7,305	Martin Marietta Materials Inc.	14,989	4,192	Eversource Energy	77,646	6,605
			Nucor Corp.	72,792	4,097	Edison International	86,033	6,488
			Celanese Corp. Class A	29,027	3,574	FirstEnergy Corp.	129,604	6,299
			International Flavors & Fragrances Inc.	25,569	3,299	PPL Corp.	173,481	6,224
			FMC Corp.	31,145	3,109	DTE Energy Co.	46,078	5,984
			Westrock Co.	61,998	2,660	Entergy Corp.	47,760	5,722

Equity Index Portfolio

	Shares	Market Value* (\$000)
American Water Works Co. Inc.	43,374	5,328
Ameren Corp.	59,075	4,537
CMS Energy Corp.	68,142	4,282
Energy Inc.	54,752	3,564
CenterPoint Energy Inc.	120,685	3,291
Atmos Energy Corp.	28,687	3,209
AES Corp.	159,530	3,175
Alliant Energy Corp.	57,752	3,160
NiSource Inc.	89,391	2,489
Pinnacle West Capital Corp.	26,897	2,419
NRG Energy Inc.	60,211	2,393
		213,305
Total Common Stocks (Cost \$3,704,149)		6,419,625
Temporary Cash Investments (0.8%)¹		
Money Market Fund (0.8%)		
^{2,3} Vanguard Market Liquidity Fund, 1.816%	477,431	47,748
	Face Amount (\$000)	
U.S. Government and Agency Obligations (0.0%)		
⁴ United States Treasury Bill, 1.546%, 3/26/20	1,000	996
⁴ United States Treasury Bill, 1.527%–1.541%, 4/30/20	1,470	1,463
		2,459
Total Temporary Cash Investments (Cost \$50,210)		50,207
Total Investments (100.2%) (Cost \$3,754,359)		6,469,832

	Amount (\$000)
Other Assets and Liabilities (-0.2%)	
Other Assets	
Investment in Vanguard	280
Receivables for Investment Securities Sold	37
Receivables for Accrued Income	6,569
Receivables for Capital Shares Issued	511
Variation Margin Receivable—Futures Contracts	94
Total Other Assets	7,491
Liabilities	
Payables for Investment Securities Purchased	(15,083)
Collateral for Securities on Loan	(264)
Payables for Capital Shares Redeemed	(1,992)
Payables to Vanguard	(1,966)
Total Liabilities	(19,305)
Net Assets (100%)	
Applicable to 135,394,379 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization)	6,458,018
Net Asset Value Per Share	\$47.70

At December 31, 2019, net assets consisted of:

	Amount (\$000)
Paid-in Capital	3,511,475
Total Distributable Earnings (Loss)	2,946,543
Net Assets	6,458,018

• 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 \$259,000.

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 100.0% and 0.2%, respectively, of net assets.

2 Collateral of \$264,000 was received for securities on loan.

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 Securities with a value of \$1,549,000 have been segregated as initial margin for open futures contracts.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
(\$000)				
Long Futures Contracts				
E-mini S&P 500 Index	March 2020	243	39,258	596

Statement of Operations

	Year Ended December 31, 2019
	(\$000)
Investment Income	
Income	
Dividends	114,609
Interest ¹	618
Securities Lending—Net	84
Total Income	115,311
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	854
Management and Administrative	6,511
Marketing and Distribution	525
Custodian Fees	21
Auditing Fees	75
Shareholders' Reports	41
Trustees' Fees and Expenses	3
Total Expenses	8,030
Net Investment Income	107,281
Realized Net Gain (Loss)	
Investment Securities Sold ¹	124,531
Futures Contracts	7,573
Realized Net Gain (Loss)	132,104
Change in Unrealized Appreciation (Depreciation)	
Investment Securities ¹	1,295,700
Futures Contracts	296
Change in Unrealized Appreciation (Depreciation)	1,295,996
Net Increase (Decrease) in Net Assets Resulting from Operations	1,535,381

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$582,000, (\$2,000), and (\$4,000), respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

	Year Ended December 31,	
	2019	2018
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	107,281	103,632
Realized Net Gain (Loss)	132,104	138,799
Change in Unrealized Appreciation (Depreciation)	1,295,996	(473,810)
Net Increase (Decrease) in Net Assets Resulting from Operations	1,535,381	(231,379)
Distributions		
Net Investment Income	(107,141)	(88,315)
Realized Capital Gain ¹	(140,285)	(85,966)
Total Distributions	(247,426)	(174,281)
Capital Share Transactions		
Issued	584,985	560,449
Issued in Lieu of Cash Distributions	247,426	174,281
Redeemed	(596,018)	(573,178)
Net Increase (Decrease) from Capital Share Transactions	236,393	161,552
Total Increase (Decrease)	1,524,348	(244,108)
Net Assets		
Beginning of Period	4,933,670	5,177,778
End of Period	6,458,018	4,933,670

¹ Includes fiscal 2019 and 2018 short-term gain distributions totaling \$347,000 and \$2,110,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	\$38.03	\$41.17	\$35.63	\$33.25	\$34.44
Investment Operations					
Net Investment Income	.805 ¹	.804 ¹	.699 ¹	.704	.759 ²
Net Realized and Unrealized Gain (Loss) on Investments	10.791	(2.556)	6.734	3.055	(.338)
Total from Investment Operations	11.596	(1.752)	7.433	3.759	.421
Distributions					
Dividends from Net Investment Income	(.834)	(.703)	(.699)	(.759)	(.569)
Distributions from Realized Capital Gains	(1.092)	(.685)	(1.194)	(.620)	(1.042)
Total Distributions	(1.926)	(1.388)	(1.893)	(1.379)	(1.611)
Net Asset Value, End of Period	\$47.70	\$38.03	\$41.17	\$35.63	\$33.25
Total Return	31.30%	-4.51%	21.66%	11.81%	1.27%
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	\$6,458	\$4,934	\$5,178	\$4,329	\$3,985
Ratio of Total Expenses to Average Net Assets	0.14%	0.14%	0.15%	0.15%	0.15%
Ratio of Net Investment Income to Average Net Assets	1.87%	1.94%	1.85%	2.08%	2.31% ²
Portfolio Turnover Rate	4%	5%	5%	7%	4%

¹ Calculated based on average shares outstanding.

² Net investment income per share and the ratio of net investment income to average net assets include \$.13 and 0.35%, respectively, resulting from a special dividend from Medtronic plc in January 2015.

Notes to Financial Statements

The Equity Index 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 materially 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 board of trustees to represent fair value. 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 objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The portfolio may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. 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. Any assets pledged as initial margin for open contracts are noted in the Statement of Net Assets.

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

During the year ended December 31, 2019, the portfolio's average investments in long and short futures contracts represented less than 1% and 0%, respectively, of net assets, 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, 2016–2019), 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. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes.

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 Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

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

The portfolio had no borrowings outstanding at December 31, 2019, 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 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.

B. 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 Net Assets. All other costs of operations payable to Vanguard are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At December 31, 2019, the portfolio had contributed to Vanguard capital in the amount of \$280,000, representing less than 0.01% of the portfolio's net assets and 0.11% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

C. 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.

Equity Index Portfolio

The following table summarizes the market value of the portfolio's investments and derivatives as of December 31, 2019, based on the inputs used to value them:

Investments	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)
Common Stocks	6,419,625	—	—
Temporary Cash Investments	47,748	2,459	—
Futures Contracts—Assets ¹	94	—	—
Total	6,467,467	2,459	—

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

D. Permanent differences between book-basis and tax-basis components of net assets, if any, are reclassified among capital accounts in the financial statements to reflect their tax character. These reclassifications have no effect on net assets or net asset value per share.

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

	Amount (\$000)
Undistributed Ordinary Income	105,297
Undistributed Long-Term Gains	127,272
Capital Loss Carryforwards (Non-expiring)	—
Net Unrealized Gains (Losses)	2,715,473

As of December 31, 2019, 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	3,754,359
Gross Unrealized Appreciation	3,036,531
Gross Unrealized Depreciation	(321,058)
Net Unrealized Appreciation (Depreciation)	2,715,473

E. During the year ended December 31, 2019, the portfolio purchased \$335,753,000 of investment securities and sold \$242,628,000 of investment securities, other than temporary cash investments.

F. Capital shares issued and redeemed were:

	Year Ended December 31,	
	2019 Shares (000)	2018 Shares (000)
Issued	13,588	13,586
Issued in Lieu of Cash Distributions	6,019	4,242
Redeemed	(13,957)	(13,844)
Net Increase (Decrease) in Shares Outstanding	5,650	3,984

At December 31, 2019, two shareholders (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders and Total Stock Market Index Portfolio), were each the record or beneficial owner of 25% or more of the portfolio's net assets, with a combined ownership of 63%. If any of these shareholders were to redeem their 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.

G. Management has determined that no events or transactions occurred subsequent to December 31, 2019, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying statement of net assets of Equity Index Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2019, the related statement of operations for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2019, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 18, 2020

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

Special 2019 tax information (unaudited) for corporate shareholders only for Equity Index Portfolio, a portfolio of Vanguard Variable Insurance Funds

This information for the fiscal year ended December 31, 2019, is included pursuant to provisions of the Internal Revenue Code for corporate shareholders only.

The portfolio distributed \$139,938,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

For corporate shareholders, 95.4% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

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The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 213 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. 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 Trustee¹

Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (January 2019–present) of Vanguard and of each of the investment companies served by Vanguard; 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) and trustee (2009–2017) of the Children's Hospital of Philadelphia; trustee (2018–present) of The Shipley School.

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. 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.

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), and the Lumina Foundation. Director of the V Foundation and Oxfam America. 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) 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 (private investment firm). Board of advisors and investment committee member of the Museum of Fine Arts Boston. Board member (2018–present) of RIT Capital Partners (investment firm); investment committee member of Partners Health Care System.

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 (2017–present) of i(x) Investments; director (2017–present) of Reserve Trust. Rubinstein Fellow (2017–present) of Duke University; trustee (2017–present) of Amherst College.

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).

¹ Mr. Buckley is considered an "interested person," as defined in the Investment Company Act of 1940, because he is an officer of the Vanguard funds.

Executive Officers

John Bendl

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (October 2019–present) of each of the investment companies served by Vanguard. Chief accounting officer, treasurer, and controller of Vanguard (2017–present). Partner (2003–2016) at KPMG (audit, tax, and advisory services).

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. Treasurer (2017–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

David Cermak

Born in 1960. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (October 2019–present) of each of the investment companies served by Vanguard. Managing director and head (2017–present) of Vanguard Investments Singapore. Managing director and head (2017–2019) of Vanguard Investments Hong Kong. Representative director and head (2014–2017) of Vanguard Investments Japan.

Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (October 2019–present), chief financial officer (2008–2019), 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. 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.

John E. Schadl

Born in 1972. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (2019–present) of Vanguard and of each of the investment companies served by Vanguard. Assistant vice president (May 2019–present) of Vanguard Marketing Corporation.

Vanguard Senior Management Team

Joseph Brennan
Mortimer J. Buckley
Gregory Davis
John James
Martha G. King
John T. Marcante

Chris D. McIsaac
James M. Norris
Thomas M. Rampulla
Karin A. Risi
Anne E. Robinson
Michael Rollings



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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, www.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 www.sec.gov.

All comparative mutual fund data are from Morningstar, Inc., unless otherwise noted.

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