

Semiannual Report | June 30, 2021

Vanguard Variable Insurance Funds

Balanced Portfolio

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About Your Portfolio's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended June 30, 2021

| | Beginning Account Value 12/31/2020 | Ending Account Value 6/30/2021 | Expenses Paid During Period |
|--|--|--------------------------------------|-----------------------------------|
| Balanced Portfolio | | | |
| Based on Actual Portfolio Return | \$1,000.00 | \$1,100.10 | \$1.04 |
| Based on Hypothetical 5% Yearly Return | 1,000.00 | 1,023.80 | 1.00 |

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.20%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

Balanced Portfolio

Portfolio Allocation

As of June 30, 2021

| | |
|--|-------|
| Asset-Backed/Commercial Mortgage-Backed Securities | 1.1 % |
| Common Stocks | 66.7 |
| Corporate Bonds | 22.3 |
| Sovereign Bonds | 0.4 |
| Taxable Municipal Bonds | 1.5 |
| U.S. Government and Agency Obligations | 8.0 |

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

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 2021

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) |
|--------------------------------------|-----------|--------------------------|---|---------|--------------------------|
| Common Stocks (65.4%) | | | Industrials (6.5%) | | |
| Communication Services (9.0%) | | | Raytheon Technologies Corp. | | |
| * Alphabet Inc. Class A | 71,999 | 175,806 | | 364,996 | 31,138 |
| * Facebook Inc. Class A | 301,593 | 104,867 | Deere & Co. | 72,315 | 25,506 |
| Comcast Corp. Class A | 659,517 | 37,606 | Trane Technologies plc | 137,571 | 25,332 |
| | | 318,279 | Union Pacific Corp. | 114,667 | 25,219 |
| Consumer Discretionary (6.9%) | | | Northrop Grumman Corp. | 68,872 | 25,030 |
| McDonald's Corp. | 318,638 | 73,602 | Johnson Controls International plc | 342,107 | 23,479 |
| * Amazon.com Inc. | 15,771 | 54,255 | Fortive Corp. | 248,499 | 17,330 |
| Home Depot Inc. | 156,708 | 49,973 | Lockheed Martin Corp. | 33,788 | 12,784 |
| TJX Cos. Inc. | 636,870 | 42,938 | Vinci SA | 112,296 | 12,004 |
| Dollar General Corp. | 98,156 | 21,240 | Schneider Electric SE | 72,780 | 11,473 |
| DR Horton Inc. | 10,626 | 960 | * Airbus SE | 83,372 | 10,743 |
| Lennar Corp. Class A | 9,300 | 924 | Illinois Tool Works Inc. | 35,943 | 8,035 |
| | | 243,892 | * Didi Global Inc. ADR | 108,100 | 1,529 |
| Consumer Staples (4.3%) | | | | | 229,602 |
| Procter & Gamble Co. | 372,015 | 50,196 | Information Technology (13.3%) | | |
| Sysco Corp. | 540,086 | 41,992 | Microsoft Corp. | 614,161 | 166,376 |
| Nestle SA (Registered) | 232,953 | 29,037 | Apple Inc. | 551,014 | 75,467 |
| Coca-Cola Co. | 415,472 | 22,481 | Texas Instruments Inc. | 260,699 | 50,132 |
| Diageo plc | 174,825 | 8,379 | Taiwan Semiconductor Manufacturing Co. Ltd. ADR | 317,577 | 38,160 |
| | | 152,085 | Global Payments Inc. | 184,898 | 34,676 |
| Energy (1.7%) | | | Accenture plc Class A | 64,378 | 18,978 |
| TOTAL SE | 815,306 | 36,935 | Lam Research Corp. | 26,508 | 17,249 |
| Royal Dutch Shell plc Class A (XLON) | 971,884 | 19,637 | KLA Corp. | 46,716 | 15,146 |
| Royal Dutch Shell plc Class A | 77,515 | 1,554 | Cisco Systems Inc. | 274,620 | 14,555 |
| | | 58,126 | * salesforce.com Inc. | 58,796 | 14,362 |
| Financials (11.2%) | | | Fidelity National Information Services Inc. | 94,196 | 13,345 |
| Charles Schwab Corp. | 1,147,895 | 83,578 | Marvell Technology Inc. | 179,129 | 10,448 |
| JPMorgan Chase & Co. | 475,024 | 73,885 | | | 468,894 |
| Bank of America Corp. | 1,151,364 | 47,471 | Real Estate (0.9%) | | |
| American Express Co. | 236,815 | 39,129 | American Tower Corp. | 88,730 | 23,970 |
| BlackRock Inc. | 43,752 | 38,282 | VICI Properties Inc. | 237,782 | 7,376 |
| Progressive Corp. | 369,689 | 36,307 | | | 31,346 |
| Blackstone Group Inc. | 227,707 | 22,119 | Utilities (1.9%) | | |
| Morgan Stanley | 201,738 | 18,497 | Exelon Corp. | 757,254 | 33,554 |
| S&P Global Inc. | 44,300 | 18,183 | Duke Energy Corp. | 336,459 | 33,215 |
| Prudential plc | 869,596 | 16,545 | | | 66,769 |
| Goldman Sachs Group Inc. | 7,422 | 2,817 | | | |
| | | 396,813 | Total Common Stocks (Cost \$1,518,938) | | |
| Health Care (9.7%) | | | | | 2,309,946 |
| UnitedHealth Group Inc. | 116,616 | 46,698 | | | |
| Pfizer Inc. | 1,172,969 | 45,934 | | | |
| HCA Healthcare Inc. | 188,817 | 39,036 | | | |
| Becton Dickinson and Co. | 156,059 | 37,952 | | | |
| Novartis AG (Registered) | 378,139 | 34,496 | | | |
| Anthem Inc. | 77,130 | 29,448 | | | |
| ¹ AstraZeneca plc ADR | 482,807 | 28,920 | | | |
| Humana Inc. | 57,355 | 25,392 | | | |
| Abbott Laboratories | 172,551 | 20,004 | | | |
| Danaher Corp. | 71,071 | 19,073 | | | |
| Baxter International Inc. | 213,501 | 17,187 | | | |
| | | 344,140 | | | |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|--|--------|---------------|---------------------|-----------------------|
| U.S. Government and Agency Obligations (7.8%) | | | | |
| U.S. Government Securities (7.5%) | | | | |
| U.S. Treasury Note/Bond | 0.125% | 10/31/22 | 7,250 | 7,248 |
| U.S. Treasury Note/Bond | 0.125% | 11/30/22 | 2,800 | 2,799 |
| U.S. Treasury Note/Bond | 0.125% | 2/28/23 | 5,000 | 4,995 |
| U.S. Treasury Note/Bond | 0.125% | 3/31/23 | 2,200 | 2,197 |
| U.S. Treasury Note/Bond | 2.500% | 3/31/23 | 7,915 | 8,230 |
| U.S. Treasury Note/Bond | 0.125% | 4/30/23 | 4,200 | 4,193 |
| U.S. Treasury Note/Bond | 0.125% | 5/15/23 | 3,005 | 2,999 |
| U.S. Treasury Note/Bond | 2.625% | 6/30/23 | 6,650 | 6,965 |
| U.S. Treasury Note/Bond | 2.875% | 10/31/23 | 5,600 | 5,932 |
| U.S. Treasury Note/Bond | 2.625% | 12/31/23 | 6,400 | 6,762 |
| U.S. Treasury Note/Bond | 0.125% | 1/15/24 | 3,530 | 3,509 |
| U.S. Treasury Note/Bond | 0.125% | 2/15/24 | 7,690 | 7,641 |
| U.S. Treasury Note/Bond | 0.250% | 3/15/24 | 6,750 | 6,724 |
| U.S. Treasury Note/Bond | 0.375% | 4/15/24 | 1,000 | 999 |
| U.S. Treasury Note/Bond | 0.250% | 5/15/24 | 5,930 | 5,898 |
| U.S. Treasury Note/Bond | 0.250% | 6/15/24 | 270 | 268 |
| U.S. Treasury Note/Bond | 1.750% | 6/30/24 | 12,675 | 13,164 |
| U.S. Treasury Note/Bond | 1.500% | 10/31/24 | 3,350 | 3,457 |
| U.S. Treasury Note/Bond | 1.125% | 2/28/25 | 6,395 | 6,511 |
| U.S. Treasury Note/Bond | 0.250% | 5/31/25 | 12,150 | 11,945 |
| U.S. Treasury Note/Bond | 0.250% | 7/31/25 | 5,655 | 5,547 |
| U.S. Treasury Note/Bond | 0.250% | 8/31/25 | 4,800 | 4,703 |
| U.S. Treasury Note/Bond | 0.250% | 10/31/25 | 22,365 | 21,865 |
| U.S. Treasury Note/Bond | 0.375% | 12/31/25 | 890 | 873 |
| U.S. Treasury Note/Bond | 0.375% | 1/31/26 | 17,775 | 17,419 |
| U.S. Treasury Note/Bond | 0.500% | 2/28/26 | 2,100 | 2,068 |
| U.S. Treasury Note/Bond | 0.750% | 3/31/26 | 6,760 | 6,729 |
| U.S. Treasury Note/Bond | 0.750% | 5/31/26 | 2,625 | 2,610 |
| U.S. Treasury Note/Bond | 0.875% | 6/30/26 | 7,000 | 6,997 |
| U.S. Treasury Note/Bond | 0.875% | 11/15/30 | 1,050 | 999 |
| U.S. Treasury Note/Bond | 1.125% | 2/15/31 | 13,750 | 13,350 |
| U.S. Treasury Note/Bond | 2.250% | 5/15/41 | 44,655 | 46,469 |
| U.S. Treasury Note/Bond | 1.375% | 8/15/50 | 5,605 | 4,724 |
| U.S. Treasury Note/Bond | 1.625% | 11/15/50 | 3,795 | 3,408 |
| U.S. Treasury Note/Bond | 1.875% | 2/15/51 | 10,215 | 9,744 |

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|---|--------|---------------------|---------------------|-----------------------|
| U.S. Treasury Note/Bond | 2.375% | 5/15/51 | 3,730 | 3,982 |
| | | | | 263,923 |
| Conventional Mortgage-Backed Securities (0.0%) | | | | |
| ^{3,4} Fannie Mae Pool | 1.770% | 1/1/36 | 560 | 559 |
| ^{3,4} Fannie Mae Pool | 3.070% | 2/1/25 | 500 | 536 |
| ^{3,4} Freddie Mac Gold Pool | 4.000% | 9/1/41 | 2 | 3 |
| ³ Ginnie Mae I Pool | 7.000% | 11/15/31 - 11/15/33 | 45 | 52 |
| ³ Ginnie Mae I Pool | 8.000% | 9/15/30 | 36 | 42 |
| ^{3,4} UMBS Pool | 2.500% | 4/1/37 - 4/1/38 | 1,047 | 1,090 |
| | | | | 2,282 |
| Nonconventional Mortgage-Backed Securities (0.3%) | | | | |
| ^{3,4} Fannie Mae REMICS | 1.500% | 8/25/41 - 6/25/42 | 472 | 475 |
| ^{3,4} Fannie Mae REMICS | 1.700% | 6/25/43 | 90 | 91 |
| ^{3,4} Fannie Mae REMICS | 2.000% | 6/25/44 | 62 | 63 |
| ^{3,4} Fannie Mae REMICS | 3.000% | 2/25/49 - 9/25/57 | 2,204 | 2,294 |
| ^{3,4} Fannie Mae REMICS | 3.500% | 4/25/31 - 12/25/58 | 4,603 | 4,924 |
| ^{3,4} Fannie Mae REMICS | 4.000% | 5/25/31 - 7/25/53 | 347 | 372 |
| ^{3,4} Freddie Mac REMICS | 3.000% | 12/15/39 | 33 | 34 |
| ^{3,4} Freddie Mac REMICS | 3.500% | 3/15/31 | 77 | 82 |
| ^{3,4} Freddie Mac REMICS | 4.000% | 12/15/30 - 4/15/31 | 1,514 | 1,627 |
| ³ Ginnie Mae | 1.700% | 10/20/45 | 134 | 136 |
| ³ Ginnie Mae | 1.800% | 5/20/41 | 92 | 92 |
| | | | | 10,190 |
| Total U.S. Government and Agency Obligations (Cost \$275,161) | | | | 276,395 |
| Asset-Backed/Commercial Mortgage-Backed Securities (1.1%) | | | | |
| ^{3,5} Aaset Trust Class A Series 2019-1 | 3.844% | 5/15/39 | 370 | 364 |
| ^{3,5} Affirm Asset Securitization Trust Class A Series 2021-Z1 | 1.070% | 8/15/25 | 571 | 571 |
| ^{3,5} American Tower Trust #1 Class 2A Series 13 | 3.070% | 3/15/48 | 1,100 | 1,107 |
| ^{3,5,6} Angel Oak Mortgage Trust Class A1 Series 2019-5 | 2.593% | 10/25/49 | 221 | 222 |
| ^{3,5,6} Angel Oak Mortgage Trust Class A1 Series 2019-6 | 2.620% | 11/25/59 | 521 | 529 |
| ^{3,5,6} Angel Oak Mortgage Trust I LLC Class A1 Series 2019-2 | 3.628% | 3/25/49 | 91 | 93 |
| ^{3,5,6} Angel Oak Mortgage Trust I LLC Class A1 Series 2019-4 | 2.993% | 7/26/49 | 337 | 341 |
| ^{3,5,6} Atlas Senior Loan Fund X Ltd. Class A Series 2018-10A, 3M USD LIBOR + 1.090% | 1.274% | 1/15/31 | 246 | 245 |
| ^{3,5,6} Bain Capital Credit CLO Ltd. Class A Series 2021-3A, 3M USD LIBOR + 1.160% | 1.346% | 7/24/34 | 420 | 418 |
| ^{3,5,6} Battalion CLO XX Ltd. Class B Series 2021-20A, 3M USD LIBOR + 1.750% | 1.836% | 7/15/34 | 535 | 534 |

Balanced Portfolio

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|-------|--|--------|---------------|---------------------|-----------------------|-----------|---|--------|---------------|---------------------|-----------------------|
| 3,5,6 | BlueMountain CLO XXXI Ltd. Class A1 Series 2021-31A, 3M USD LIBOR + 1.150% | 1.330% | 4/19/34 | 1,000 | 996 | 3,5,6,7,8 | Dryden Senior Loan Fund Class A1 Series 2021-87A, 3M USD LIBOR + 1.100% | 1.250% | 5/20/34 | 1,090 | 1,090 |
| 3,5 | Canadian Pacer Auto Receivables Trust Class A3 Series 2018-2A | 3.270% | 12/19/22 | 35 | 35 | 3,5 | Enterprise Fleet Financing LLC Class A2 Series 2018-3 | 3.380% | 5/20/24 | 96 | 97 |
| 3,5 | Castlelake Aircraft Structured Trust Class A Series 2019-1A | 3.967% | 4/15/39 | 694 | 693 | 3,5 | Enterprise Fleet Financing LLC Class A2 Series 2019-1 | 2.980% | 10/20/24 | 249 | 251 |
| 3,5 | CF Hippolyta LLC Class A1 Series 2021-A1 | 1.530% | 3/15/61 | 750 | 755 | 3,5 | Enterprise Fleet Financing LLC Class A2 Series 2019-2 | 2.290% | 2/20/25 | 507 | 514 |
| 3,5 | Chesapeake Funding II LLC Class A1 Series 2018-1A | 3.040% | 4/15/30 | 240 | 240 | 3,5 | Enterprise Fleet Financing LLC Class A2 Series 2019-3 | 2.060% | 5/20/25 | 389 | 394 |
| 3,5 | Chesapeake Funding II LLC Class A1 Series 2018-3A | 3.390% | 1/15/31 | 374 | 380 | 3,5 | Enterprise Fleet Financing LLC Class A3 Series 2018-1 | 3.100% | 10/20/23 | 208 | 210 |
| 3,5,6 | CIFC Funding 2021-III Ltd. Class B Series 2021-3A, 3M USD LIBOR + 1.700% | 1.848% | 7/15/36 | 400 | 400 | 3,4,6 | Fannie Mae Connecticut Avenue Securities Class 2M2 Series 2016-C03, 1M USD LIBOR + 5.900% | 5.992% | 10/25/28 | 161 | 169 |
| 3,5,6 | CIFC Funding Ltd. Class A Series 2018-1A, 3M USD LIBOR + 1.000% | 1.190% | 4/18/31 | 500 | 500 | 3,5,8 | FirstKey Homes Trust Class A Series 2021-SFR1 | 1.538% | 8/17/28 | 1,885 | 1,885 |
| 3,5,6 | Cloud Pass-Through Trust Class CLOU Series 2019-1A | 3.554% | 12/5/22 | 157 | 158 | 3,4 | Freddie Mac Multifamily Structured Pass Through Certificates Class A3 Series K-1512 | 3.059% | 4/25/34 | 300 | 339 |
| 3,5,6 | COLT Mortgage Loan Trust Class A1 Series 2020-1 | 2.488% | 2/25/50 | 240 | 241 | 3,4 | Freddie Mac Multifamily Structured Pass Through Certificates Class A3 Series K-1513 | 2.797% | 8/25/34 | 300 | 331 |
| 3,5,6 | Columbia Cent CLO 27 Ltd. Class A1 Series 2018-27A, 3M USD LIBOR + 1.150% | 1.326% | 10/25/28 | 542 | 542 | 3,5 | Horizon Aircraft Finance II Ltd. Class A Series 2019-1 | 3.721% | 7/15/39 | 298 | 293 |
| 3,5,6 | Columbia Cent CLO 30 Ltd. Class B Series 2020-30A, 3M USD LIBOR + 1.750% | 1.974% | 1/20/34 | 450 | 450 | 3,5 | Horizon Aircraft Finance III Ltd. Class A Series 2019-2 | 3.425% | 11/15/39 | 303 | 298 |
| 3,5,6 | Columbia Cent CLO 31 Ltd. Class B Series 2021-31A, 3M USD LIBOR + 1.550% | 1.697% | 4/20/34 | 570 | 565 | 3,5,6 | Life Mortgage Trust Class A Series 2021-BMR, 1M USD LIBOR + 0.700% | 0.773% | 3/15/38 | 295 | 295 |
| 3 | COMM Mortgage Trust Class A4 Series 2012-CR2 | 3.147% | 8/15/45 | 480 | 490 | 3,5 | MACH 1 Cayman Ltd. Class A Series 2019-1 | 3.474% | 10/15/39 | 313 | 313 |
| 3,5 | DB Master Finance LLC Class A2I Series 2019-1A | 3.787% | 5/20/49 | 447 | 453 | 3,5,6 | Madison Park Funding XII Ltd. Class AR2 Series 2014-13A, 3M USD LIBOR + 0.950% | 1.140% | 4/19/30 | 930 | 930 |
| 3,5 | DB Master Finance LLC Class A2II Series 2019-1A | 4.021% | 5/20/49 | 398 | 420 | 3,5,6 | Magnetite VII Ltd. Class A1R2 Series 2012-7A, 3M USD LIBOR + 0.800% | 0.984% | 1/15/28 | 1,589 | 1,589 |
| 3,5 | Domino's Pizza Master Issuer LLC Class A2I Series 2021-1A | 2.662% | 4/25/51 | 1,100 | 1,138 | | | | | | |
| 3,5 | Domino's Pizza Master Issuer LLC Class A2II Series 2021-1A | 3.151% | 4/25/51 | 895 | 937 | | | | | | |

Balanced Portfolio

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|-----------|---|--------|---------------|---------------------|-----------------------|--|---|---------------|---------------------|-----------------------|--------|
| 3,5 | MAPS Ltd. Class A Series 2019-1A | 4.458% | 3/15/44 | 209 | 210 | 3,5 | Springleaf Funding Trust Class A Series 2015-BA | 3.480% | 5/15/28 | 84 | 84 |
| 3,5,6 | Master Credit Card Trust II Class A Series 2018-1A, 1M USD LIBOR + 0.490% | 0.583% | 7/21/24 | 1,000 | 1,002 | 3,5 | Start III Ltd. Class A Series 2019-2 | 3.536% | 11/15/44 | 28 | 28 |
| 3,5 | Mercury Financial Credit Card Master Trust Class A Series 2021-1A | 1.540% | 3/20/26 | 1,005 | 1,005 | 3,5 | START Ireland Class A Series 2019-1 | 4.089% | 3/15/44 | 351 | 351 |
| 3,5,6,7,8 | Oaktree CLO Ltd. Class A1 Series 2021-1A, 3M USD LIBOR + 1.160% | 1.289% | 7/15/34 | 1,100 | 1,100 | 3,5,6 | Symphony CLO XIV Ltd. Class AR Series 2014-14A, 3M USD LIBOR + 0.950% | 1.136% | 7/14/26 | 615 | 615 |
| 3,5,6 | Octagon Investment Partners 51 Ltd. Class A Series 2021-1A, 3M USD LIBOR + 1.150% | 1.323% | 7/20/34 | 1,000 | 1,000 | 3,5,6 | Towd Point Mortgage Trust Class A1 Series 2016-3 | 2.250% | 4/25/56 | 10 | 10 |
| 3,5,6,7,8 | Octagon Investment Partners 54 Class A1 Series 2021-1A, 3M USD LIBOR + 1.120% | 1.253% | 7/15/34 | 1,100 | 1,100 | 3,5 | Vantage Data Centers Issuer LLC Class A2 Series 2019-1A | 3.188% | 7/15/44 | 319 | 330 |
| 3,5,6,7,8 | OHA Credit Funding 3 Ltd. Class AR Series 2019-3A, 3M USD LIBOR + 1.140% | 1.270% | 7/2/35 | 1,480 | 1,480 | 3,5 | Vantage Data Centers LLC Class A2 Series 2020-1A | 1.645% | 9/15/45 | 855 | 858 |
| 3,5 | OneMain Direct Auto Receivables Trust Class A Series 2018-1A | 3.430% | 12/16/24 | 300 | 301 | 3,5,6 | Venture 43 CLO Ltd. Class A1 Series 2021-43A, 3M USD LIBOR + 1.240% | 1.434% | 4/15/34 | 355 | 356 |
| 3,5 | OneMain Financial Issuance Trust Class A Series 2019-1A | 3.480% | 2/14/31 | 630 | 631 | 3,5,6 | Voya CLO Ltd. Class AAR2 Series 2014-1A, 3M USD LIBOR + 0.990% | 1.180% | 4/18/31 | 511 | 511 |
| 3,5,6 | Regatta VI Funding Ltd. Class AR2 Series 2016-1A, 3M USD LIBOR + 1.160% | 1.295% | 4/20/34 | 700 | 698 | 3,5,6 | Wellfleet CLO X LTD Class A2R Series 2019-XA, 3M USD LIBOR + 1.750% | 1.924% | 7/20/32 | 550 | 548 |
| 3,5,6 | RR 16 Ltd. Class A1 Series 2021-16A, 3M USD LIBOR + 1.110% | 1.191% | 7/15/36 | 775 | 772 | 3,5 | Westlake Automobile Receivables Trust Class A2 Series 2019-3A | 2.150% | 2/15/23 | 60 | 60 |
| 3,5,6 | RR 16 Ltd. Class A2 Series 2021-16A, 3M USD LIBOR + 1.650% | 1.731% | 7/15/36 | 755 | 752 | Total Asset-Backed/Commercial Mortgage-Backed Securities (Cost \$38,982) | | | | | 39,205 |
| 3,5 | Santander Retail Auto Lease Trust Class A3 Series 2019-B | 2.300% | 1/20/23 | 318 | 321 | Corporate Bonds (21.8%) | | | | | |
| 3,4 | Seasoned Credit Risk Transfer Trust Class MA Series 2019-3 | 3.500% | 10/25/58 | 1,158 | 1,249 | Communications (1.7%) | | | | | |
| 3,5 | Securitized Term Auto Receivables Trust Class A3 Series 2018-2A | 3.325% | 8/25/22 | 70 | 70 | | America Movil SAB de CV | 3.125% | 7/16/22 | 1,880 | 1,931 |
| 3,5,6 | SFAVE Commercial Mortgage Securities Trust Class A2B Series 2015-5AVE | 4.144% | 1/5/43 | 700 | 745 | | America Movil SAB de CV | 3.625% | 4/22/29 | 780 | 861 |
| 3,5 | SoFi Consumer Loan Program Trust Class A Series 2020-1 | 2.020% | 1/25/29 | 202 | 203 | | America Movil SAB de CV | 6.125% | 3/30/40 | 390 | 553 |
| | | | | | | | AT&T Inc. | 2.750% | 6/1/31 | 1,305 | 1,357 |
| | | | | | | 5 | AT&T Inc. | 3.650% | 6/1/51 | 162 | 169 |
| | | | | | | 5 | AT&T Inc. | 3.500% | 9/15/53 | 895 | 898 |
| | | | | | | | AT&T Inc. | 3.850% | 6/1/60 | 598 | 631 |
| | | | | | | | British Telecommunications plc | 3.250% | 11/8/29 | 905 | 962 |
| | | | | | | | Charter Communications Operating LLC / Charter Communications Operating Capital | 2.800% | 4/1/31 | 215 | 220 |
| | | | | | | | Charter Communications Operating LLC / Charter Communications Operating Capital | 2.300% | 2/1/32 | 215 | 207 |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|---|---|---------------|---------------------|-----------------------|-------|---|---------------|---------------------|-----------------------|-------|
| Charter Communications Operating LLC / Charter Communications Operating Capital | 5.375% | 5/1/47 | 110 | 135 | | Discovery Communications LLC | 3.950% | 3/20/28 | 430 | 479 |
| | | | | | | Discovery Communications LLC | 4.125% | 5/15/29 | 125 | 140 |
| Charter Communications Operating LLC / Charter Communications Operating Capital | 5.125% | 7/1/49 | 94 | 112 | | Discovery Communications LLC | 3.625% | 5/15/30 | 145 | 158 |
| | | | | | | Discovery Communications LLC | 4.650% | 5/15/50 | 143 | 167 |
| Charter Communications Operating LLC / Charter Communications Operating Capital | 4.800% | 3/1/50 | 127 | 146 | 5 | Discovery Communications LLC | 4.000% | 9/15/55 | 497 | 526 |
| | | | | | | NBCUniversal Media LLC | 4.450% | 1/15/43 | 309 | 379 |
| Charter Communications Operating LLC / Charter Communications Operating Capital | 3.700% | 4/1/51 | 530 | 527 | 5 | NTT Finance Corp. | 1.162% | 4/3/26 | 1,040 | 1,037 |
| | | | | | | NTT Finance Corp. | 2.065% | 4/3/31 | 285 | 289 |
| Charter Communications Operating LLC / Charter Communications Operating Capital | 4.400% | 12/1/61 | 415 | 446 | 5 | Ooredoo International Finance Ltd. | 2.625% | 4/8/31 | 725 | 734 |
| | | | | | | Orange SA | 9.000% | 3/1/31 | 530 | 835 |
| Charter Communications Operating LLC / Charter Communications Operating Capital Corp. | 3.850% | 4/1/61 | 505 | 496 | 5 | SK Telecom Co. Ltd. | 3.750% | 4/16/23 | 385 | 406 |
| | | | | | | Sky Ltd. | 3.750% | 9/16/24 | 1,435 | 1,568 |
| Comcast Corp. | 3.600% | 3/1/24 | 2,235 | 2,413 | 3.5 | Sprint Spectrum Co LLC / Sprint Spectrum Co II LLC / Sprint Spectrum Co III LLC | 4.738% | 9/20/29 | 1,219 | 1,306 |
| | | | | | | Telefonica Emisiones SA | 5.213% | 3/8/47 | 490 | 613 |
| Comcast Corp. | 3.375% | 2/15/25 | 70 | 76 | | Telefonica Emisiones SA | 5.520% | 3/1/49 | 710 | 923 |
| Comcast Corp. | 4.250% | 1/15/33 | 1,032 | 1,229 | | Time Warner Entertainment Co. LP | 8.375% | 3/15/23 | 95 | 107 |
| Comcast Corp. | 4.200% | 8/15/34 | 730 | 863 | | T-Mobile USA Inc. | 2.050% | 2/15/28 | 900 | 912 |
| Comcast Corp. | 5.650% | 6/15/35 | 110 | 149 | | T-Mobile USA Inc. | 3.875% | 4/15/30 | 710 | 793 |
| Comcast Corp. | 4.400% | 8/15/35 | 877 | 1,056 | | T-Mobile USA Inc. | 2.550% | 2/15/31 | 145 | 147 |
| Comcast Corp. | 6.500% | 11/15/35 | 115 | 167 | | T-Mobile USA Inc. | 2.250% | 11/15/31 | 150 | 148 |
| Comcast Corp. | 6.400% | 5/15/38 | 27 | 40 | | T-Mobile USA Inc. | 4.375% | 4/15/40 | 485 | 568 |
| Comcast Corp. | 4.600% | 10/15/38 | 1,335 | 1,655 | | T-Mobile USA Inc. | 4.500% | 4/15/50 | 710 | 845 |
| Comcast Corp. | 4.650% | 7/15/42 | 1,290 | 1,630 | | T-Mobile USA Inc. | 3.300% | 2/15/51 | 580 | 578 |
| Comcast Corp. | 4.500% | 1/15/43 | 500 | 620 | | T-Mobile USA Inc. | 3.600% | 11/15/60 | 290 | 296 |
| Comcast Corp. | 4.750% | 3/1/44 | 876 | 1,122 | | Verizon Communications Inc. | 4.329% | 9/21/28 | 675 | 785 |
| Comcast Corp. | 4.600% | 8/15/45 | 1,198 | 1,505 | | Verizon Communications Inc. | 4.812% | 3/15/39 | 2,406 | 3,051 |
| Comcast Corp. | 3.969% | 11/1/47 | 252 | 294 | | Verizon Communications Inc. | 4.750% | 11/1/41 | 190 | 241 |
| Comcast Corp. | 4.000% | 3/1/48 | 345 | 404 | | Verizon Communications Inc. | 4.862% | 8/21/46 | 1,016 | 1,312 |
| Comcast Corp. | 4.700% | 10/15/48 | 1,175 | 1,523 | | Verizon Communications Inc. | 5.012% | 4/15/49 | 69 | 91 |
| Comcast Corp. | 3.999% | 11/1/49 | 602 | 709 | | Verizon Communications Inc. | 4.672% | 3/15/55 | 274 | 354 |
| Comcast Corp. | 2.450% | 8/15/52 | 1,380 | 1,246 | | ViacomCBS Inc. | 2.987% | 10/30/56 | 256 | 241 |
| Comcast Corp. | 4.049% | 11/1/52 | 1,187 | 1,412 | | Vodafone Group plc | 3.700% | 6/1/28 | 440 | 490 |
| Comcast Corp. | 4.950% | 10/15/58 | 20 | 28 | | Vodafone Group plc | 5.000% | 5/30/38 | 50 | 63 |
| Comcast Corp. | 2.650% | 8/15/62 | 615 | 561 | | Walt Disney Co. | 5.250% | 5/30/48 | 1,260 | 1,652 |
| 5 | Cox Communications Inc. | 3.150% | 8/15/24 | 63 | 67 | Walt Disney Co. | 3.000% | 9/15/22 | 245 | 253 |
| | | | | | | Walt Disney Co. | 2.000% | 9/1/29 | 2,600 | 2,625 |
| 5 | Cox Communications Inc. | 2.600% | 6/15/31 | 385 | 391 | Walt Disney Co. | 2.650% | 1/13/31 | 170 | 179 |
| | | | | | | | | | | |
| 5 | Cox Communications Inc. | 4.800% | 2/1/35 | 1,540 | 1,865 | | | | | |
| | | | | | | | | | | |
| 5 | Deutsche Telekom International Finance BV | 3.600% | 1/19/27 | 300 | 330 | | | | | |
| | | | | | | | | | | |
| 5 | Deutsche Telekom International Finance BV | 4.375% | 6/21/28 | 671 | 780 | | | | | |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | |
|-------------------------------|--|---------------|---------------------|-----------------------|-------|--------|---|---------------------|-----------------------|-------|-------|
| | Walt Disney Co. | 3.500% | 5/13/40 | 1,490 | 1,660 | | Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc. | 4.700% | 2/1/36 | 1,290 | 1,582 |
| | Walt Disney Co. | 2.750% | 9/1/49 | 560 | 552 | | Anheuser-Busch Cos. LLC / Anheuser-Busch InBev Worldwide Inc. | 4.900% | 2/1/46 | 1,940 | 2,454 |
| | Walt Disney Co. | 3.600% | 1/13/51 | 805 | 912 | | Anheuser-Busch InBev Worldwide Inc. | 3.750% | 7/15/42 | 520 | 566 |
| | Walt Disney Co. | 3.800% | 5/13/60 | 485 | 570 | | Anheuser-Busch InBev Worldwide Inc. | 4.600% | 4/15/48 | 395 | 483 |
| | | | | 60,771 | | | Archer-Daniels-Midland Co. | 4.500% | 3/15/49 | 970 | 1,292 |
| Consumer Discretionary (1.0%) | | | | | | | BAT Capital Corp. | 3.557% | 8/15/27 | 1,875 | 2,006 |
| | Amazon.com Inc. | 2.800% | 8/22/24 | 345 | 367 | | Cargill Inc. | 6.875% | 5/1/28 | 645 | 830 |
| | Amazon.com Inc. | 4.800% | 12/5/34 | 995 | 1,282 | | Cargill Inc. | 2.125% | 4/23/30 | 225 | 228 |
| | Amazon.com Inc. | 4.950% | 12/5/44 | 580 | 787 | | Cargill Inc. | 4.760% | 11/23/45 | 635 | 830 |
| | Amazon.com Inc. | 4.250% | 8/22/57 | 1,335 | 1,708 | | CK Hutchison International 20 Ltd. | 3.375% | 5/8/50 | 560 | 603 |
| | American Honda Finance Corp. | 2.000% | 3/24/28 | 825 | 846 | | Coca-Cola Europacific Partners plc | 0.800% | 5/3/24 | 885 | 883 |
| 5 | AutoZone Inc. | 3.700% | 4/15/22 | 1,371 | 1,395 | | Colgate Palmolive Co. | 7.600% | 5/19/25 | 480 | 598 |
| | BMW U.S. Capital LLC | 2.250% | 9/15/23 | 2,500 | 2,589 | | Conagra Brands Inc. | 4.600% | 11/1/25 | 220 | 250 |
| 5 | BMW U.S. Capital LLC | 0.800% | 4/1/24 | 390 | 392 | | Conagra Brands Inc. | 1.375% | 11/1/27 | 345 | 337 |
| 5 | Daimler Finance North America LLC | 3.250% | 8/1/24 | 160 | 171 | 5 | Conagra Brands Inc. | 5.300% | 11/1/38 | 300 | 382 |
| 3 | Duke University | 2.832% | 10/1/55 | 775 | 808 | 5 | Constellation Brands Inc. | 2.700% | 5/9/22 | 65 | 66 |
| 5 | Emory University | 2.143% | 9/1/30 | 765 | 782 | 5 | Constellation Brands Inc. | 3.750% | 5/1/50 | 105 | 116 |
| 5 | ERAC USA Finance LLC | 4.500% | 8/16/21 | 325 | 327 | 5 | Danone SA | 2.947% | 11/2/26 | 735 | 787 |
| 5 | ERAC USA Finance LLC | 3.300% | 10/15/22 | 40 | 41 | 5 | Diageo Capital plc | 2.625% | 4/29/23 | 1,230 | 1,275 |
| 5 | ERAC USA Finance LLC | 7.000% | 10/15/37 | 1,150 | 1,717 | 5 | Diageo Capital plc | 2.375% | 10/24/29 | 580 | 601 |
| 5 | ERAC USA Finance LLC | 5.625% | 3/15/42 | 340 | 464 | 5 | Diageo Capital plc | 2.000% | 4/29/30 | 265 | 265 |
| | General Motors Financial Co. Inc. | 3.950% | 4/13/24 | 1,570 | 1,692 | | Diageo Investment Corp. | 2.875% | 5/11/22 | 525 | 537 |
| | Georgetown University | 4.315% | 4/1/49 | 150 | 188 | | Estee Lauder Cos. Inc. | 2.375% | 12/1/29 | 370 | 387 |
| | Georgetown University | 2.943% | 4/1/50 | 295 | 300 | | Hormel Foods Corp. | 1.700% | 6/3/28 | 135 | 136 |
| | Home Depot Inc. | 3.900% | 12/6/28 | 290 | 337 | 5 | Imperial Brands Finance plc | 3.750% | 7/21/22 | 1,680 | 1,724 |
| | Home Depot Inc. | 3.300% | 4/15/40 | 825 | 905 | | Kroger Co. | 3.850% | 8/1/23 | 270 | 287 |
| | Home Depot Inc. | 4.400% | 3/15/45 | 780 | 989 | | Kroger Co. | 4.000% | 2/1/24 | 540 | 581 |
| | Home Depot Inc. | 4.500% | 12/6/48 | 345 | 448 | | McCormick & Co. Inc. | 2.500% | 4/15/30 | 135 | 139 |
| 5 | Hyundai Capital America | 0.800% | 4/3/23 | 2,415 | 2,417 | | Molson Coors Beverage Co. | 3.500% | 5/1/22 | 690 | 708 |
| 5 | Hyundai Capital America | 0.875% | 6/14/24 | 1,875 | 1,867 | | Molson Coors Beverage Co. | 3.000% | 7/15/26 | 1,800 | 1,930 |
| 5,6 | Hyundai Capital America, 3M USD LIBOR + 0.940% | 1.137% | 7/8/21 | 1,400 | 1,400 | 5 | PepsiCo Inc. | 2.375% | 10/6/26 | 1,945 | 2,072 |
| 3 | Johns Hopkins University | 4.083% | 7/1/53 | 200 | 258 | | PepsiCo Inc. | 4.000% | 3/5/42 | 845 | 1,027 |
| 3 | Johns Hopkins University | 2.813% | 1/1/60 | 180 | 179 | | PepsiCo Inc. | 3.450% | 10/6/46 | 1,215 | 1,364 |
| | Lowe's Cos. Inc. | 3.100% | 5/3/27 | 1,300 | 1,419 | | Philip Morris International Inc. | 2.500% | 8/22/22 | 575 | 590 |
| | Lowe's Cos. Inc. | 6.500% | 3/15/29 | 334 | 434 | | Philip Morris International Inc. | 2.625% | 3/6/23 | 1,150 | 1,194 |
| | McDonald's Corp. | 2.625% | 1/15/22 | 195 | 198 | | Philip Morris International Inc. | 3.600% | 11/15/23 | 620 | 667 |
| | McDonald's Corp. | 3.250% | 6/10/24 | 140 | 150 | | Philip Morris International Inc. | 3.375% | 8/11/25 | 424 | 463 |
| | McDonald's Corp. | 4.875% | 12/9/45 | 1,160 | 1,493 | | Philip Morris International Inc. | 4.875% | 11/15/43 | 145 | 181 |
| | McDonald's Corp. | 3.625% | 9/1/49 | 470 | 521 | | Sigma Alimentos SA de CV | 4.125% | 5/2/26 | 510 | 555 |
| 3 | Northeastern University | 2.894% | 10/1/50 | 225 | 229 | | | | | | |
| 3 | Starbucks Corp. | 4.500% | 11/15/48 | 1,471 | 1,833 | | | | | | |
| | University of Chicago | 2.761% | 4/1/45 | 165 | 167 | | | | | | |
| | VF Corp. | 2.800% | 4/23/27 | 595 | 635 | | | | | | |
| | VF Corp. | 2.950% | 4/23/30 | 1,320 | 1,397 | | | | | | |
| | | | | 33,132 | | | | | | | |
| Consumer Staples (1.0%) | | | | | | | | | | | |
| | Altria Group Inc. | 5.800% | 2/14/39 | 770 | 949 | | | | | | |
| | Altria Group Inc. | 4.500% | 5/2/43 | 245 | 264 | 5 | | | | | |
| | Altria Group Inc. | 3.875% | 9/16/46 | 625 | 620 | | | | | | |

Balanced Portfolio

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|--|--------|---------------|---------------------|-----------------------|--|--------|---------------|---------------------|-----------------------|
| Walmart Inc. | 3.625% | 12/15/47 | 380 | 446 | | | | | |
| | | | | 35,025 | | | | | |
| Sunoco Logistics Partners Operations LP | | | | | | 5.350% | 5/15/45 | 90 | 104 |
| | | | | | | | | | |
| Sunoco Logistics Partners Operations LP | 4.000% | 10/15/21 | 555 | 561 | | 5.400% | 10/1/47 | 20 | 24 |
| | | | | | | | | | |
| BP Capital Markets America Inc. | 3.245% | 5/6/22 | 650 | 666 | Total Capital International SA | 2.700% | 1/25/23 | 885 | 917 |
| BP Capital Markets America Inc. | 1.749% | 8/10/30 | 345 | 337 | Total Capital International SA | 3.750% | 4/10/24 | 1,400 | 1,521 |
| BP Capital Markets America Inc. | 2.772% | 11/10/50 | 470 | 437 | TransCanada PipeLines Ltd. | 4.875% | 1/15/26 | 1,255 | 1,443 |
| BP Capital Markets America Inc. | 2.939% | 6/4/51 | 925 | 887 | TransCanada PipeLines Ltd. | 4.100% | 4/15/30 | 415 | 476 |
| BP Capital Markets plc | 2.500% | 11/6/22 | 500 | 514 | | | | | 39,974 |
| BP Capital Markets plc | 3.994% | 9/26/23 | 420 | 453 | Financials (8.3%) | | | | |
| BP Capital Markets plc | 3.814% | 2/10/24 | 1,700 | 1,839 | | | | | |
| BP Capital Markets plc | 3.506% | 3/17/25 | 1,280 | 1,401 | AIA Group Ltd. | 3.600% | 4/9/29 | 1,475 | 1,636 |
| Chevron Corp. | 3.191% | 6/24/23 | 525 | 551 | AIA Group Ltd. | 3.375% | 4/7/30 | 370 | 406 |
| Cimarex Energy Co. | 4.375% | 6/1/24 | 927 | 1,009 | American Express Credit Corp. | 2.700% | 3/3/22 | 1,505 | 1,527 |
| ConocoPhillips Co. | 4.950% | 3/15/26 | 115 | 133 | American International Group Inc. | 3.750% | 7/10/25 | 275 | 303 |
| Energy Transfer LP | 5.250% | 4/15/29 | 1,375 | 1,624 | American International Group Inc. | 4.250% | 3/15/29 | 1,040 | 1,200 |
| Energy Transfer Operating LP | 5.300% | 4/15/47 | 155 | 181 | American International Group Inc. | 4.700% | 7/10/35 | 75 | 91 |
| Enterprise Products Operating LLC | 4.250% | 2/15/48 | 730 | 840 | American International Group Inc. | 6.250% | 5/1/36 | 245 | 342 |
| Enterprise Products Operating LLC | 3.700% | 1/31/51 | 170 | 183 | American International Group Inc. | 4.500% | 7/16/44 | 375 | 455 |
| Equinor ASA | 2.750% | 11/10/21 | 850 | 858 | American International Group Inc. | 4.800% | 7/10/45 | 220 | 276 |
| Equinor ASA | 2.450% | 1/17/23 | 382 | 394 | American International Group Inc. | 4.750% | 4/1/48 | 135 | 171 |
| Equinor ASA | 2.650% | 1/15/24 | 360 | 378 | American International Group Inc. | 4.375% | 6/30/50 | 290 | 353 |
| Equinor ASA | 3.700% | 3/1/24 | 640 | 692 | American International Group Inc. | 4.375% | 1/15/55 | 145 | 176 |
| Equinor ASA | 3.250% | 11/10/24 | 655 | 709 | Athene Global Funding | 1.000% | 4/16/24 | 685 | 687 |
| Equinor ASA | 2.875% | 4/6/25 | 140 | 150 | Australia & New Zealand Banking Group Ltd. | 2.570% | 11/25/35 | 685 | 665 |
| Equinor ASA | 3.125% | 4/6/30 | 2,350 | 2,560 | Banco Santander SA | 3.125% | 2/23/23 | 800 | 833 |
| Equinor ASA | 2.375% | 5/22/30 | 335 | 345 | Banco Santander SA | 3.848% | 4/12/23 | 400 | 423 |
| Exxon Mobil Corp. | 2.726% | 3/1/23 | 320 | 331 | Banco Santander SA | 1.849% | 3/25/26 | 1,200 | 1,214 |
| Exxon Mobil Corp. | 3.043% | 3/1/26 | 225 | 244 | Banco Santander SA | 2.749% | 12/3/30 | 400 | 396 |
| Exxon Mobil Corp. | 2.275% | 8/16/26 | 1,070 | 1,129 | Bank of America Corp. | 3.300% | 1/11/23 | 120 | 125 |
| Exxon Mobil Corp. | 2.440% | 8/16/29 | 735 | 769 | Bank of America Corp. | 2.816% | 7/21/23 | 1,645 | 1,686 |
| Exxon Mobil Corp. | 2.610% | 10/15/30 | 1,055 | 1,113 | Bank of America Corp. | 4.000% | 1/22/25 | 875 | 960 |
| Exxon Mobil Corp. | 4.114% | 3/1/46 | 320 | 378 | Bank of America Corp. | 3.559% | 4/23/27 | 2,450 | 2,682 |
| Galaxy Pipeline Assets Bidco Ltd. | 2.160% | 3/31/34 | 1,450 | 1,426 | Bank of America Corp. | 3.593% | 7/21/28 | 1,025 | 1,127 |
| Galaxy Pipeline Assets Bidco Ltd. | 2.940% | 9/30/40 | 725 | 718 | Bank of America Corp. | 3.419% | 12/20/28 | 512 | 558 |
| Qatar Petroleum | 2.250% | 7/12/31 | 710 | 702 | Bank of America Corp. | 4.271% | 7/23/29 | 4,780 | 5,493 |
| Qatar Petroleum | 3.125% | 7/12/41 | 675 | 672 | Bank of America Corp. | 3.974% | 2/7/30 | 1,895 | 2,149 |
| Saudi Arabian Oil Co. | 3.500% | 4/16/29 | 630 | 682 | | | | | |
| Schlumberger Holdings Corp. | 3.900% | 5/17/28 | 807 | 901 | | | | | |
| Schlumberger Investment SA | 2.400% | 8/1/22 | 630 | 640 | | | | | |
| Schlumberger Investment SA | 3.650% | 12/1/23 | 1,120 | 1,196 | | | | | |
| Shell International Finance BV | 4.125% | 5/11/35 | 1,130 | 1,342 | | | | | |
| Shell International Finance BV | 5.500% | 3/25/40 | 345 | 480 | | | | | |
| Shell International Finance BV | 4.375% | 5/11/45 | 2,500 | 3,066 | | | | | |
| Sinopec Group Overseas Development 2015 Ltd. | 3.250% | 4/28/25 | 1,250 | 1,337 | | | | | |
| Suncor Energy Inc. | 5.950% | 12/1/34 | 500 | 661 | | | | | |

Balanced Portfolio

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|---|---|--------|---------------|---------------------|-----------------------|-----|--|---|---------------|---------------------|-----------------------|-------|
| | Bank of America Corp. | 3.194% | 7/23/30 | 1,055 | 1,136 | | | Chubb INA Holdings Inc. | 3.350% | 5/15/24 | 555 | 598 |
| | Bank of America Corp. | 2.496% | 2/13/31 | 1,495 | 1,529 | | | Chubb INA Holdings Inc. | 4.350% | 11/3/45 | 800 | 1,012 |
| | Bank of America Corp. | 2.687% | 4/22/32 | 955 | 984 | | | Citigroup Inc. | 4.500% | 1/14/22 | 1,975 | 2,020 |
| | Bank of America Corp. | 5.875% | 2/7/42 | 260 | 374 | | | Citigroup Inc. | 0.981% | 5/1/25 | 1,190 | 1,193 |
| | Bank of America Corp. | 5.000% | 1/21/44 | 1,000 | 1,332 | | | Citigroup Inc. | 1.462% | 6/9/27 | 1,325 | 1,319 |
| | Bank of America Corp. | 4.330% | 3/15/50 | 2,235 | 2,755 | | | Citigroup Inc. | 3.520% | 10/27/28 | 1,975 | 2,163 |
| 5 | Bank of Montreal | 2.500% | 1/11/22 | 1,700 | 1,720 | 5 | | Citigroup Inc. | 6.625% | 6/15/32 | 2,000 | 2,721 |
| | Bank of New York Mellon Corp. | 2.200% | 8/16/23 | 460 | 477 | 5 | | Citigroup Inc. | 3.878% | 1/24/39 | 1,025 | 1,176 |
| | Bank of New York Mellon Corp. | 3.000% | 2/24/25 | 720 | 774 | 5 | | Comerica Bank | 2.500% | 7/23/24 | 790 | 832 |
| | Bank of New York Mellon Corp., 3M USD LIBOR + 1.050% | 1.236% | 10/30/23 | 1,145 | 1,159 | 5 | | Commonwealth Bank of Australia | 2.688% | 3/11/31 | 2,285 | 2,280 |
| | Bank of Nova Scotia | 2.800% | 7/21/21 | 750 | 751 | 5 | | Cooperative Rabobank UA | 1.106% | 2/24/27 | 1,365 | 1,346 |
| | Bank of Nova Scotia | 2.700% | 8/3/26 | 1,825 | 1,949 | 5 | | Credit Agricole SA | 3.750% | 4/24/23 | 1,160 | 1,228 |
| 6 | Barclays plc | 3.932% | 5/7/25 | 1,565 | 1,689 | 5 | | Credit Agricole SA | 3.250% | 10/4/24 | 2,390 | 2,561 |
| | Barclays plc | 2.667% | 3/10/32 | 1,270 | 1,279 | 5 | | Credit Suisse AG | 3.000% | 10/29/21 | 735 | 742 |
| | Barclays plc, 3M USD LIBOR + 1.380% | 1.536% | 5/16/24 | 1,005 | 1,024 | 5 | | Credit Suisse AG | 3.625% | 9/9/24 | 250 | 271 |
| | Berkshire Hathaway Inc. | 3.125% | 3/15/26 | 715 | 782 | 5 | | Credit Suisse Group AG | 3.574% | 1/9/23 | 550 | 559 |
| 5 | BNP Paribas SA | 2.950% | 5/23/22 | 200 | 205 | 5 | | Credit Suisse Group AG | 4.207% | 6/12/24 | 340 | 362 |
| 5 | BNP Paribas SA | 3.250% | 3/3/23 | 190 | 199 | 5,6 | | Credit Suisse Group AG | 3.750% | 3/26/25 | 3,470 | 3,764 |
| 5 | BNP Paribas SA | 3.800% | 1/10/24 | 585 | 628 | 5 | | Credit Suisse Group AG | 2.593% | 9/11/25 | 520 | 541 |
| 5 | BNP Paribas SA | 3.375% | 1/9/25 | 1,775 | 1,907 | 5 | | Credit Suisse Group AG | 3.869% | 1/12/29 | 305 | 336 |
| 5 | BNP Paribas SA | 2.819% | 11/19/25 | 1,335 | 1,404 | 5 | | Credit Suisse Group AG | 3.091% | 5/14/32 | 945 | 974 |
| 5 | BNP Paribas SA | 1.323% | 1/13/27 | 585 | 578 | 5 | | Credit Suisse Group AG, 3M USD LIBOR + 1.240% | 1.359% | 6/12/24 | 690 | 699 |
| 5 | BNP Paribas SA | 3.500% | 11/16/27 | 2,050 | 2,231 | 5 | | Credit Suisse Group Funding Guernsey Ltd. | 3.800% | 9/15/22 | 1,335 | 1,388 |
| 5 | BNP Paribas SA | 2.871% | 4/19/32 | 845 | 867 | 5 | | Danske Bank A/S | 2.000% | 9/8/21 | 1,120 | 1,123 |
| 5 | BPCE SA | 5.700% | 10/22/23 | 270 | 299 | 5 | | Danske Bank A/S | 5.000% | 1/12/22 | 610 | 624 |
| 5 | BPCE SA | 4.000% | 4/15/24 | 775 | 845 | 5 | | Danske Bank A/S | 3.875% | 9/12/23 | 1,220 | 1,299 |
| 5 | BPCE SA | 5.150% | 7/21/24 | 1,260 | 1,405 | 5 | | Danske Bank A/S | 5.375% | 1/12/24 | 795 | 882 |
| 5 | BPCE SA | 3.500% | 10/23/27 | 1,780 | 1,934 | 5 | | Danske Bank A/S | 1.621% | 9/11/26 | 855 | 855 |
| 5 | BPCE SA | 2.700% | 10/1/29 | 1,450 | 1,515 | 5 | | Deutsche Bank AG | 4.250% | 10/14/21 | 815 | 824 |
| | Brighthouse Financial Global Funding | 1.000% | 4/12/24 | 65 | 65 | 5 | | DNB Bank ASA | 1.535% | 5/25/27 | 960 | 961 |
| 5 | Brighthouse Financial Global Funding | 1.550% | 5/24/26 | 525 | 529 | 5 | | DNB Boligkredit AS | 2.500% | 3/28/22 | 1,315 | 1,337 |
| 5 | Brighthouse Financial Global Funding | 2.000% | 6/28/28 | 520 | 520 | 5 | | Equitable Financial Life Global Funding | 1.400% | 7/7/25 | 370 | 374 |
| | Canadian Imperial Bank of Commerce | 1.150% | 7/8/26 | 1,005 | 1,004 | 5 | | Equitable Financial Life Global Funding | 1.400% | 8/27/27 | 535 | 526 |
| 6 | Canadian Imperial Bank of Commerce, 3M USD LIBOR + 0.720% | 0.838% | 6/16/22 | 1,565 | 1,575 | 5 | | Equitable Financial Life Global Funding | 1.800% | 3/8/28 | 870 | 864 |
| | Capital One Financial Corp. | 4.750% | 7/15/21 | 400 | 401 | 5 | | Fifth Third Bancorp | 2.550% | 5/5/27 | 425 | 449 |
| | Capital One Financial Corp. | 3.750% | 4/24/24 | 1,305 | 1,411 | 5 | | Fifth Third Bank NA | 3.850% | 3/15/26 | 830 | 921 |
| | Capital One Financial Corp. | 3.200% | 2/5/25 | 760 | 817 | 5 | | Five Corners Funding Trust | 4.419% | 11/15/23 | 210 | 229 |
| | Charles Schwab Corp. | 0.750% | 3/18/24 | 1,350 | 1,358 | 5 | | GA Global Funding Trust | 1.000% | 4/8/24 | 750 | 752 |
| | Charles Schwab Corp. | 3.200% | 3/2/27 | 545 | 597 | | | Goldman Sachs Group Inc. | 5.250% | 7/27/21 | 865 | 868 |
| | Charles Schwab Corp. | 2.000% | 3/20/28 | 1,100 | 1,129 | | | Goldman Sachs Group Inc. | 5.750% | 1/24/22 | 360 | 371 |
| | | | | | | | | Goldman Sachs Group Inc. | 2.876% | 10/31/22 | 1,795 | 1,809 |
| | | | | | | | | Goldman Sachs Group Inc. | 3.625% | 1/22/23 | 1,980 | 2,078 |
| | | | | | | | | Goldman Sachs Group Inc. | 3.272% | 9/29/25 | 1,205 | 1,289 |
| | | | | | | | | Goldman Sachs Group Inc. | 3.500% | 11/16/26 | 2,000 | 2,174 |

Balanced Portfolio

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|---|--|--------|---------------|---------------------|-----------------------|-----|---|--------|---------------|---------------------|-----------------------|
| 5 | Goldman Sachs Group Inc. | 3.850% | 1/26/27 | 740 | 816 | 5 | LSEGA Financing plc | 1.375% | 4/6/26 | 1,555 | 1,558 |
| | Goldman Sachs Group Inc. | 1.431% | 3/9/27 | 2,190 | 2,184 | 5 | LSEGA Financing plc | 2.000% | 4/6/28 | 630 | 637 |
| | Goldman Sachs Group Inc. | 1.542% | 9/10/27 | 1,165 | 1,161 | 5 | LSEGA Financing plc | 2.500% | 4/6/31 | 1,110 | 1,136 |
| | Goldman Sachs Group Inc. | 3.691% | 6/5/28 | 810 | 895 | | Macquarie Group Ltd. | 4.150% | 3/27/24 | 1,375 | 1,456 |
| | Goldman Sachs Group Inc. | 3.814% | 4/23/29 | 3,065 | 3,427 | | Manufacturers & Traders Trust Co. | 2.900% | 2/6/25 | 685 | 733 |
| | Goldman Sachs Group Inc. | 4.223% | 5/1/29 | 2,630 | 3,003 | | Marsh & McLennan Cos. Inc. | 4.375% | 3/15/29 | 675 | 792 |
| | Goldman Sachs Group Inc. | 2.615% | 4/22/32 | 1,130 | 1,156 | | Marsh & McLennan Cos. Inc. | 4.900% | 3/15/49 | 305 | 417 |
| | Goldman Sachs Group Inc. | 6.750% | 10/1/37 | 835 | 1,216 | 3.5 | Massachusetts Mutual Life Insurance Co. | 7.625% | 11/15/23 | 2,000 | 2,203 |
| | Guardian Life Global Funding | 1.250% | 5/13/26 | 205 | 205 | | MetLife Inc. | 3.600% | 4/10/24 | 580 | 627 |
| | HSBC Holdings plc | 3.600% | 5/25/23 | 1,600 | 1,694 | 5 | MetLife Inc. | 4.125% | 8/13/42 | 145 | 173 |
| | HSBC Holdings plc | 0.976% | 5/24/25 | 300 | 300 | | MetLife Inc. | 4.875% | 11/13/43 | 530 | 699 |
| | HSBC Holdings plc | 1.589% | 5/24/27 | 805 | 806 | 5 | Metropolitan Life Global Funding I | 3.450% | 10/9/21 | 810 | 817 |
| | HSBC Holdings plc | 4.041% | 3/13/28 | 890 | 987 | 5 | Metropolitan Life Global Funding I | 2.650% | 4/8/22 | 340 | 346 |
| | HSBC Holdings plc | 4.583% | 6/19/29 | 1,675 | 1,936 | 5 | Metropolitan Life Global Funding I | 3.450% | 12/18/26 | 640 | 710 |
| | HSBC Holdings plc | 2.357% | 8/18/31 | 1,625 | 1,626 | 5 | Metropolitan Life Global Funding I | 3.000% | 9/19/27 | 1,165 | 1,263 |
| | HSBC Holdings plc | 2.804% | 5/24/32 | 1,555 | 1,596 | | Mitsubishi UFJ Financial Group Inc. | 2.623% | 7/18/22 | 1,940 | 1,986 |
| | HSBC Holdings plc | 6.500% | 5/2/36 | 1,000 | 1,378 | | Morgan Stanley | 2.625% | 11/17/21 | 800 | 807 |
| | HSBC Holdings plc | 6.100% | 1/14/42 | 375 | 546 | | Morgan Stanley | 2.750% | 5/19/22 | 1,710 | 1,748 |
| | HSBC Holdings plc | 5.250% | 3/14/44 | 440 | 571 | | Morgan Stanley | 3.700% | 10/23/24 | 750 | 818 |
| | HSBC Holdings plc, 3M USD LIBOR + 1.000% | 1.155% | 5/18/24 | 730 | 739 | | Morgan Stanley | 2.720% | 7/22/25 | 1,750 | 1,842 |
| | HSBC USA Inc. | 3.500% | 6/23/24 | 620 | 672 | | Morgan Stanley | 3.125% | 7/27/26 | 1,345 | 1,456 |
| | ING Groep NV | 3.150% | 3/29/22 | 365 | 372 | | Morgan Stanley | 6.250% | 8/9/26 | 3,000 | 3,710 |
| | ING Groep NV | 3.950% | 3/29/27 | 2,695 | 3,026 | | Morgan Stanley | 3.625% | 1/20/27 | 1,250 | 1,387 |
| | ING Groep NV | 1.726% | 4/1/27 | 500 | 504 | | Morgan Stanley | 3.772% | 1/24/29 | 3,910 | 4,391 |
| 5 | Intercontinental Exchange Inc. | 2.650% | 9/15/40 | 170 | 163 | | Morgan Stanley | 2.699% | 1/22/31 | 1,105 | 1,157 |
| | Intercontinental Exchange Inc. | 3.000% | 6/15/50 | 465 | 458 | | Morgan Stanley | 4.300% | 1/27/45 | 850 | 1,054 |
| | Intercontinental Exchange Inc. | 3.000% | 9/15/60 | 850 | 819 | 5 | National Australia Bank Ltd. | 2.332% | 8/21/30 | 2,140 | 2,077 |
| | JAB Holdings BV | 2.200% | 11/23/30 | 290 | 282 | 5 | National Australia Bank Ltd. | 2.990% | 5/21/31 | 1,340 | 1,361 |
| | JAB Holdings BV | 3.750% | 5/28/51 | 500 | 534 | 5 | Nationwide Building Society | 3.622% | 4/26/23 | 680 | 697 |
| | JPMorgan Chase & Co. | 3.375% | 5/1/23 | 875 | 921 | 5 | Nationwide Financial Services Inc. | 3.900% | 11/30/49 | 1,430 | 1,578 |
| | JPMorgan Chase & Co. | 3.875% | 2/1/24 | 800 | 867 | 5 | Nationwide Mutual Insurance Co. | 4.350% | 4/30/50 | 1,520 | 1,701 |
| | JPMorgan Chase & Co. | 3.900% | 7/15/25 | 2,270 | 2,510 | | Natwest Group plc | 1.642% | 6/14/27 | 870 | 870 |
| | JPMorgan Chase & Co. | 4.125% | 12/15/26 | 765 | 866 | 5 | NatWest Markets plc | 0.800% | 8/12/24 | 670 | 667 |
| | JPMorgan Chase & Co. | 4.250% | 10/1/27 | 2,295 | 2,617 | 5 | NBK SPC Ltd. | 2.750% | 5/30/22 | 1,530 | 1,558 |
| | JPMorgan Chase & Co. | 2.069% | 6/1/29 | 740 | 746 | 5 | New York Life Global Funding | 2.900% | 1/17/24 | 810 | 857 |
| | JPMorgan Chase & Co. | 4.452% | 12/5/29 | 2,100 | 2,455 | 5 | New York Life Insurance Co. | 5.875% | 5/15/33 | 2,100 | 2,752 |
| | JPMorgan Chase & Co. | 3.702% | 5/6/30 | 2,525 | 2,824 | 5 | New York Life Insurance Co. | 3.750% | 5/15/50 | 345 | 388 |
| | JPMorgan Chase & Co. | 3.109% | 4/22/41 | 835 | 865 | 5 | New York Life Insurance Co. | 4.450% | 5/15/69 | 435 | 541 |
| | JPMorgan Chase & Co. | 5.400% | 1/6/42 | 750 | 1,031 | 5 | Northwestern Mutual Life Insurance Co. | 3.850% | 9/30/47 | 656 | 749 |
| | JPMorgan Chase & Co. | 3.964% | 11/15/48 | 6,150 | 7,206 | 5 | Northwestern Mutual Life Insurance Co. | 3.625% | 9/30/59 | 270 | 295 |
| | JPMorgan Chase & Co. | 3.109% | 4/22/51 | 845 | 876 | 5 | Pacific Life Global Funding II | 1.375% | 4/14/26 | 795 | 797 |
| | Liberty Mutual Group Inc. | 4.250% | 6/15/23 | 80 | 86 | | PNC Bank NA | 3.300% | 10/30/24 | 460 | 499 |
| | Liberty Mutual Group Inc. | 4.569% | 2/1/29 | 280 | 327 | | PNC Bank NA | 2.950% | 2/23/25 | 1,105 | 1,186 |
| | Loews Corp. | 2.625% | 5/15/23 | 440 | 456 | | PNC Bank NA | 4.200% | 11/1/25 | 255 | 289 |
| | | | | | | | PNC Bank NA | 3.100% | 10/25/27 | 1,165 | 1,276 |

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|---|---|--------|---------------|---------------------|-----------------------|--|--|-------------------|---------------|---------------------|-----------------------|-------|
| | PNC Bank NA | 3.250% | 1/22/28 | 1,675 | 1,849 | | | Wells Fargo & Co. | 3.196% | 6/17/27 | 1,705 | 1,842 |
| | PNC Financial Services Group Inc. | 3.900% | 4/29/24 | 580 | 630 | | | Wells Fargo & Co. | 2.879% | 10/30/30 | 435 | 461 |
| | PNC Financial Services Group Inc. | 2.550% | 1/22/30 | 1,625 | 1,711 | | | Wells Fargo & Co. | 2.572% | 2/11/31 | 2,235 | 2,314 |
| | | | | | | | | Wells Fargo & Co. | 5.606% | 1/15/44 | 2,276 | 3,113 |
| | | | | | | | | Wells Fargo & Co. | 4.900% | 11/17/45 | 515 | 659 |
| | | | | | | | | Wells Fargo & Co. | 4.750% | 12/7/46 | 2,070 | 2,616 |
| 5 | Principal Life Global Funding II | 2.500% | 9/16/29 | 1,000 | 1,042 | | | | | | | |
| | Prudential plc | 3.125% | 4/14/30 | 645 | 695 | | | | | | | |
| | Royal Bank of Canada | 2.750% | 2/1/22 | 1,195 | 1,213 | | | | | | | |
| | Santander Holdings USA Inc. | 3.700% | 3/28/22 | 915 | 934 | | | | | | | |
| | Santander Holdings USA Inc. | 3.400% | 1/18/23 | 605 | 630 | | | | | | | |
| | Societe Generale SA | 3.250% | 1/12/22 | 1,015 | 1,031 | | | | | | | |
| 5 | Standard Chartered plc | 2.744% | 9/10/22 | 2,030 | 2,038 | | | | | | | |
| 5 | Standard Chartered plc | 1.214% | 3/23/25 | 285 | 286 | | | | | | | |
| | State Street Corp. | 2.653% | 5/15/23 | 840 | 857 | | | | | | | |
| 5 | Sumitomo Mitsui Trust Bank Ltd. | 0.850% | 3/25/24 | 2,000 | 2,004 | | | | | | | |
| | Svenska Handelsbanken AB | 1.875% | 9/7/21 | 1,050 | 1,053 | | | | | | | |
| 5 | Svenska Handelsbanken AB | 1.418% | 6/11/27 | 1,875 | 1,869 | | | | | | | |
| | Teachers Insurance & Annuity Association of America | 4.900% | 9/15/44 | 875 | 1,128 | | | | | | | |
| 5 | Teachers Insurance & Annuity Association of America | 4.270% | 5/15/47 | 1,145 | 1,368 | | | | | | | |
| 5 | Temasek Financial I Ltd. | 2.375% | 1/23/23 | 1,130 | 1,164 | | | | | | | |
| 5 | Temasek Financial I Ltd. | 3.625% | 8/1/28 | 1,025 | 1,162 | | | | | | | |
| 5 | Temasek Financial I Ltd. | 2.250% | 4/6/51 | 1,150 | 1,108 | | | | | | | |
| 5 | Temasek Financial I Ltd. | 2.500% | 10/6/70 | 670 | 650 | | | | | | | |
| 5 | Toronto-Dominion Bank | 2.500% | 1/18/23 | 2,100 | 2,126 | | | | | | | |
| | Truist Bank | 2.625% | 1/15/22 | 460 | 465 | | | | | | | |
| | Truist Bank | 3.300% | 5/15/26 | 340 | 373 | | | | | | | |
| | Truist Financial Corp. | 3.200% | 9/3/21 | 665 | 667 | | | | | | | |
| | Truist Financial Corp. | 2.750% | 4/1/22 | 1,700 | 1,729 | | | | | | | |
| | Truist Financial Corp. | 3.700% | 6/5/25 | 1,385 | 1,526 | | | | | | | |
| | Truist Financial Corp. | 1.950% | 6/5/30 | 795 | 796 | | | | | | | |
| | U.S. Bancorp | 3.700% | 1/30/24 | 1,560 | 1,681 | | | | | | | |
| 5 | UBS AG | 1.250% | 6/1/26 | 985 | 983 | | | | | | | |
| 5 | UBS Group AG | 2.650% | 2/1/22 | 1,250 | 1,267 | | | | | | | |
| 5 | UBS Group AG | 3.126% | 8/13/30 | 555 | 595 | | | | | | | |
| 5 | UBS Group AG | 2.095% | 2/11/32 | 720 | 704 | | | | | | | |
| 5 | UniCredit SPA | 1.982% | 6/3/27 | 1,015 | 1,011 | | | | | | | |
| 5 | UniCredit SPA | 3.127% | 6/3/32 | 1,200 | 1,206 | | | | | | | |
| | Wachovia Corp. | 7.500% | 4/15/35 | 1,000 | 1,492 | | | | | | | |
| | Wells Fargo & Co. | 3.500% | 3/8/22 | 107 | 109 | | | | | | | |
| | Wells Fargo & Co. | 3.450% | 2/13/23 | 735 | 770 | | | | | | | |
| | Wells Fargo & Co. | 4.480% | 1/16/24 | 1,199 | 1,312 | | | | | | | |
| | Wells Fargo & Co. | 3.750% | 1/24/24 | 1,560 | 1,678 | | | | | | | |
| | Wells Fargo & Co. | 3.000% | 2/19/25 | 890 | 953 | | | | | | | |
| | Wells Fargo & Co. | 0.805% | 5/19/25 | 430 | 429 | | | | | | | |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | |
|---|--|---------------|---------------------|-----------------------|-------|--------|---|---------------------|-----------------------|-------|--------|
| 3 | CommonSpirit Health | 2.760% | 10/1/24 | 860 | 905 | 3 | Providence St. Joseph Health Obligated Group | 3.930% | 10/1/48 | 325 | 377 |
| | CommonSpirit Health | 3.347% | 10/1/29 | 915 | 992 | 5 | Roche Holdings Inc. | 2.375% | 1/28/27 | 1,650 | 1,738 |
| | CommonSpirit Health | 2.782% | 10/1/30 | 465 | 484 | 5 | Royalty Pharma plc | 3.300% | 9/2/40 | 425 | 427 |
| | CommonSpirit Health | 4.350% | 11/1/42 | 536 | 626 | 5 | Royalty Pharma plc | 3.550% | 9/2/50 | 1,405 | 1,403 |
| | CommonSpirit Health | 4.187% | 10/1/49 | 1,190 | 1,367 | | Rush Obligated Group | 3.922% | 11/15/29 | 330 | 377 |
| | Cottage Health | | | | | | SSM Health Care Corp. | 3.823% | 6/1/27 | 940 | 1,050 |
| | Obligated Group | 3.304% | 11/1/49 | 295 | 320 | | Sutter Health | 2.294% | 8/15/30 | 560 | 565 |
| | CVS Health Corp. | 2.750% | 12/1/22 | 965 | 992 | | Toledo Hospital | 5.750% | 11/15/38 | 560 | 676 |
| | CVS Health Corp. | 4.300% | 3/25/28 | 110 | 126 | | UnitedHealth Group Inc. | 2.875% | 3/15/22 | 27 | 27 |
| | CVS Health Corp. | 4.875% | 7/20/35 | 315 | 384 | | UnitedHealth Group Inc. | 2.875% | 3/15/23 | 1,175 | 1,226 |
| 5 | CVS Health Corp. | 4.125% | 4/1/40 | 430 | 499 | | UnitedHealth Group Inc. | 3.100% | 3/15/26 | 430 | 469 |
| | CVS Health Corp. | 5.125% | 7/20/45 | 855 | 1,110 | | UnitedHealth Group Inc. | 3.850% | 6/15/28 | 1,190 | 1,367 |
| | Dignity Health | 3.812% | 11/1/24 | 560 | 612 | | UnitedHealth Group Inc. | 2.000% | 5/15/30 | 275 | 277 |
| | EMD Finance LLC | 2.950% | 3/19/22 | 605 | 614 | | UnitedHealth Group Inc. | 4.625% | 7/15/35 | 240 | 304 |
| | Gilead Sciences Inc. | 3.700% | 4/1/24 | 1,010 | 1,085 | | UnitedHealth Group Inc. | 2.750% | 5/15/40 | 310 | 314 |
| | Gilead Sciences Inc. | 3.500% | 2/1/25 | 560 | 607 | | UnitedHealth Group Inc. | 4.250% | 3/15/43 | 1,600 | 1,961 |
| | Gilead Sciences Inc. | 4.500% | 2/1/45 | 105 | 128 | | UnitedHealth Group Inc. | 4.750% | 7/15/45 | 592 | 776 |
| | Gilead Sciences Inc. | 2.800% | 10/1/50 | 1,235 | 1,186 | | UnitedHealth Group Inc. | 4.200% | 1/15/47 | 215 | 263 |
| | GlaxoSmithKline Capital Inc. | 2.800% | 3/18/23 | 385 | 401 | | UnitedHealth Group Inc. | 4.250% | 6/15/48 | 880 | 1,089 |
| | GlaxoSmithKline Capital Inc. | 5.375% | 4/15/34 | 2,000 | 2,696 | | UnitedHealth Group Inc. | 4.450% | 12/15/48 | 140 | 179 |
| | Indiana University Health Inc. | | | | | | UnitedHealth Group Inc. | 3.700% | 8/15/49 | 675 | 774 |
| | Obligated Group | 2.852% | 11/1/51 | 365 | 367 | | UnitedHealth Group Inc. | 2.900% | 5/15/50 | 1,253 | 1,264 |
| | Kaiser Foundation Hospitals | 3.150% | 5/1/27 | 380 | 416 | | UnitedHealth Group Inc. | 3.875% | 8/15/59 | 115 | 136 |
| | Kaiser Foundation Hospitals | 2.810% | 6/1/41 | 1,130 | 1,155 | | UnitedHealth Group Inc. | 3.125% | 5/15/60 | 490 | 505 |
| | Kaiser Foundation Hospitals | 4.875% | 4/1/42 | 365 | 491 | | | | | | 89,271 |
| | Kaiser Foundation Hospitals | 3.002% | 6/1/51 | 1,105 | 1,140 | | Industrials (1.0%) | | | | |
| | Mass General Brigham Inc. | 3.192% | 7/1/49 | 935 | 987 | 5 | BAE Systems Holdings Inc. | 3.850% | 12/15/25 | 1,085 | 1,190 |
| | Mass General Brigham Inc. | 3.342% | 7/1/60 | 955 | 1,050 | 5 | BAE Systems plc | 3.400% | 4/15/30 | 215 | 234 |
| | Medtronic Inc. | 3.500% | 3/15/25 | 396 | 435 | | Boeing Co. | 1.433% | 2/4/24 | 940 | 942 |
| | Memorial Sloan-Kettering Cancer Center | 2.955% | 1/1/50 | 590 | 603 | | Boeing Co. | 2.700% | 2/1/27 | 495 | 511 |
| | Memorial Sloan-Kettering Cancer Center | 4.125% | 7/1/52 | 310 | 392 | | Burlington Northern Santa Fe LLC | 3.000% | 3/15/23 | 565 | 587 |
| | Memorial Sloan-Kettering Cancer Center | 4.200% | 7/1/55 | 280 | 357 | | Burlington Northern Santa Fe LLC | 3.850% | 9/1/23 | 1,630 | 1,739 |
| | Merck & Co. Inc. | 2.750% | 2/10/25 | 1,210 | 1,289 | | Burlington Northern Santa Fe LLC | 4.550% | 9/1/44 | 250 | 319 |
| | Merck & Co. Inc. | 3.400% | 3/7/29 | 1,470 | 1,648 | | Burlington Northern Santa Fe LLC | 4.150% | 4/1/45 | 415 | 503 |
| | Merck & Co. Inc. | 4.150% | 5/18/43 | 760 | 938 | | Burlington Northern Santa Fe LLC | 4.050% | 6/15/48 | 60 | 73 |
| | Merck & Co. Inc. | 4.000% | 3/7/49 | 1,915 | 2,342 | | Burlington Northern Santa Fe LLC | 3.050% | 2/15/51 | 405 | 422 |
| | Mercy Health | 4.302% | 7/1/28 | 570 | 670 | | Canadian National Railway Co. | 2.450% | 5/1/50 | 205 | 186 |
| | Novartis Capital Corp. | 3.400% | 5/6/24 | 415 | 448 | | Carrier Global Corp. | 2.722% | 2/15/30 | 448 | 464 |
| | Novartis Capital Corp. | 4.400% | 5/6/44 | 640 | 820 | | Caterpillar Inc. | 3.400% | 5/15/24 | 810 | 870 |
| | Pfizer Inc. | 3.000% | 12/15/26 | 725 | 796 | | | | | | |
| | Pfizer Inc. | 3.450% | 3/15/29 | 2,165 | 2,436 | 3 | Continental Airlines Class A Series 2007-1 Pass Through Trust | 5.983% | 10/19/23 | 337 | 344 |
| | Pfizer Inc. | 4.100% | 9/15/38 | 1,505 | 1,830 | | CSX Corp. | 4.300% | 3/1/48 | 445 | 540 |
| | Pfizer Inc. | 2.550% | 5/28/40 | 275 | 276 | | | | | | |
| | Pfizer Inc. | 2.700% | 5/28/50 | 305 | 304 | | | | | | |
| | Providence St. Joseph Health Obligated Group | 2.746% | 10/1/26 | 390 | 416 | | | | | | |
| | Providence St. Joseph Health Obligated Group | 2.532% | 10/1/29 | 985 | 1,033 | | | | | | |

Balanced Portfolio

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|---|---|--------|---------------|---------------------|-----------------------|---|--|--------|---------------|---------------------|-----------------------|
| 3 | CSX Corp. | 3.350% | 9/15/49 | 235 | 249 | 3 | Southwest Airlines Co. Series 2007-1 Pass Through Trust | 6.150% | 2/1/24 | 120 | 123 |
| | Federal Express Corp. 1998 Pass Through Trust | 6.720% | 7/15/23 | 52 | 52 | | Stanley Black & Decker Inc. | 4.850% | 11/15/48 | 685 | 923 |
| | FedEx Corp. | 4.100% | 2/1/45 | 130 | 149 | | Teledyne Technologies Inc. | 2.250% | 4/1/28 | 1,155 | 1,177 |
| | FedEx Corp. | 4.550% | 4/1/46 | 178 | 215 | | Teledyne Technologies Inc. | 2.750% | 4/1/31 | 1,290 | 1,326 |
| | FedEx Corp. | 4.050% | 2/15/48 | 48 | 55 | | Union Pacific Corp. | 3.700% | 3/1/29 | 505 | 569 |
| | Illinois Tool Works Inc. | 3.500% | 3/1/24 | 1,295 | 1,387 | | Union Pacific Corp. | 3.250% | 2/5/50 | 200 | 211 |
| | John Deere Capital Corp. | 3.450% | 3/13/25 | 1,200 | 1,316 | | Union Pacific Corp. | 3.799% | 10/1/51 | 666 | 761 |
| | Kansas City Southern | 4.950% | 8/15/45 | 480 | 613 | | Union Pacific Corp. | 3.839% | 3/20/60 | 285 | 324 |
| | Lockheed Martin Corp. | 2.900% | 3/1/25 | 610 | 654 | | Union Pacific Corp. | 2.973% | 9/16/62 | 625 | 600 |
| | Lockheed Martin Corp. | 1.850% | 6/15/30 | 60 | 60 | 3 | Union Pacific Corp. | 3.750% | 2/5/70 | 335 | 368 |
| | Lockheed Martin Corp. | 4.500% | 5/15/36 | 211 | 265 | | United Airlines Class B Series 2018-1 Pass Through Trust | 4.600% | 9/1/27 | 167 | 171 |
| | Lockheed Martin Corp. | 4.700% | 5/15/46 | 376 | 498 | | | | | | 36,222 |
| | Lockheed Martin Corp. | 2.800% | 6/15/50 | 265 | 266 | | Materials (0.0%) | | | | |
| | Lockheed Martin Corp. | 4.090% | 9/15/52 | 144 | 180 | | International Paper Co. | 4.350% | 8/15/48 | 668 | 832 |
| | Otis Worldwide Corp. | 2.565% | 2/15/30 | 225 | 233 | | Real Estate (0.4%) | | | | |
| | Otis Worldwide Corp. | 3.112% | 2/15/40 | 510 | 527 | | American Tower Corp. | 5.000% | 2/15/24 | 80 | 89 |
| | Otis Worldwide Corp. | 3.362% | 2/15/50 | 890 | 937 | | American Tower Corp. | 4.400% | 2/15/26 | 450 | 508 |
| | Parker-Hannifin Corp. | 3.250% | 6/14/29 | 270 | 295 | | American Tower Corp. | 3.800% | 8/15/29 | 981 | 1,094 |
| | Parker-Hannifin Corp. | 4.450% | 11/21/44 | 450 | 556 | | Boston Properties LP | 3.125% | 9/1/23 | 355 | 372 |
| 5 | Penske Truck Leasing Co. LP / PTL Finance Corp. | 3.450% | 7/1/24 | 465 | 499 | | Boston Properties LP | 3.800% | 2/1/24 | 45 | 48 |
| | Penske Truck Leasing Co. LP / PTL Finance Corp. | 2.700% | 11/1/24 | 385 | 405 | | Crown Castle International Corp. | 3.650% | 9/1/27 | 285 | 314 |
| | Penske Truck Leasing Co. LP / PTL Finance Corp. | 3.950% | 3/10/25 | 1,435 | 1,570 | | Crown Castle International Corp. | 3.800% | 2/15/28 | 235 | 261 |
| | Penske Truck Leasing Co. LP / PTL Finance Corp. | 4.450% | 1/29/26 | 925 | 1,040 | | Crown Castle International Corp. | 2.100% | 4/1/31 | 2,185 | 2,131 |
| | Raytheon Technologies Corp. | 4.125% | 11/16/28 | 1,125 | 1,296 | | Equinix Inc. | 3.000% | 7/15/50 | 1,020 | 978 |
| | Raytheon Technologies Corp. | 6.050% | 6/1/36 | 675 | 944 | | Healthpeak Properties Inc. | 3.000% | 1/15/30 | 930 | 986 |
| | Raytheon Technologies Corp. | 4.450% | 11/16/38 | 275 | 333 | | Realty Income Corp. | 3.250% | 1/15/31 | 380 | 415 |
| | Raytheon Technologies Corp. | 4.500% | 6/1/42 | 407 | 507 | 5 | SBA Tower Trust | 1.631% | 11/15/26 | 580 | 580 |
| 5 | Siemens Financieringsmaatschappij NV | 2.900% | 5/27/22 | 1,050 | 1,075 | 5 | SBA Tower Trust | 3.448% | 3/15/48 | 705 | 719 |
| | Siemens Financieringsmaatschappij NV | 3.125% | 3/16/24 | 1,680 | 1,793 | 5 | SBA Tower Trust | 2.836% | 1/15/50 | 725 | 756 |
| | Siemens Financieringsmaatschappij NV | 1.700% | 3/11/28 | 630 | 633 | 5 | SBA Tower Trust | 1.884% | 7/15/50 | 265 | 267 |
| | Siemens Financieringsmaatschappij NV | 2.150% | 3/11/31 | 1,100 | 1,112 | 5 | Scentre Group Trust 1 / Scentre Group Trust 2 | 4.375% | 5/28/30 | 695 | 807 |
| | Siemens Financieringsmaatschappij NV | 4.400% | 5/27/45 | 800 | 1,024 | | Simon Property Group LP | 3.750% | 2/1/24 | 90 | 97 |
| | | | | | | | Simon Property Group LP | 3.375% | 10/1/24 | 275 | 296 |
| | | | | | | | Simon Property Group LP | 2.450% | 9/13/29 | 1,160 | 1,193 |
| | | | | | | | VEREIT Operating Partnership LP | 3.400% | 1/15/28 | 210 | 229 |
| | | | | | | | VEREIT Operating Partnership LP | 2.200% | 6/15/28 | 735 | 748 |
| | | | | | | | VEREIT Operating Partnership LP | 2.850% | 12/15/32 | 545 | 570 |
| | | | | | | | | | | | 13,458 |
| | | | | | | | Technology (1.8%) | | | | |
| | | | | | | | Apple Inc. | 3.000% | 2/9/24 | 620 | 658 |
| | | | | | | | Apple Inc. | 3.450% | 5/6/24 | 1,000 | 1,082 |
| | | | | | | | Apple Inc. | 2.850% | 5/11/24 | 1,225 | 1,300 |
| | | | | | | | Apple Inc. | 2.750% | 1/13/25 | 590 | 631 |
| | | | | | | | Apple Inc. | 3.250% | 2/23/26 | 1,020 | 1,120 |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|---------------|--|---------------|---------------------|-----------------------|-------|--|---------------|---------------------|-----------------------|-------|
| 5 5 | Apple Inc. | 2.450% | 8/4/26 | 1,170 | 1,244 | Utilities (3.0%) | | | | |
| | Apple Inc. | 3.350% | 2/9/27 | 1,545 | 1,715 | AEP Texas Inc. | 4.150% | 5/1/49 | 145 | 169 |
| | Apple Inc. | 3.200% | 5/11/27 | 1,065 | 1,176 | AEP Texas Inc. | 3.450% | 1/15/50 | 380 | 394 |
| | Apple Inc. | 2.900% | 9/12/27 | 2,250 | 2,453 | Alabama Power Co. | 5.200% | 6/1/41 | 120 | 157 |
| | Apple Inc. | 3.850% | 5/4/43 | 430 | 512 | Alabama Power Co. | 4.100% | 1/15/42 | 215 | 247 |
| | Apple Inc. | 4.450% | 5/6/44 | 120 | 155 | Alabama Power Co. | 3.750% | 3/1/45 | 630 | 718 |
| | Apple Inc. | 3.850% | 8/4/46 | 985 | 1,170 | Alabama Power Co. | 4.300% | 7/15/48 | 775 | 959 |
| | Apple Inc. | 2.650% | 5/11/50 | 640 | 627 | Ameren Illinois Co. | 3.800% | 5/15/28 | 590 | 668 |
| | Apple Inc. | 2.550% | 8/20/60 | 1,425 | 1,329 | Ameren Illinois Co. | 6.125% | 12/15/28 | 1,000 | 1,208 |
| | Broadcom Corp. / Broadcom Cayman Finance Ltd. | | | | | Ameren Illinois Co. | 3.700% | 12/1/47 | 140 | 160 |
| | | 3.875% | 1/15/27 | 305 | 337 | American Water Capital Corp. | 2.950% | 9/1/27 | 540 | 583 |
| | Broadcom Inc. | 4.250% | 4/15/26 | 170 | 191 | American Water Capital Corp. | 3.750% | 9/1/47 | 45 | 51 |
| | Broadcom Inc. | 4.110% | 9/15/28 | 1,452 | 1,632 | American Water Capital Corp. | 4.200% | 9/1/48 | 845 | 1,027 |
| | Broadcom Inc. | 4.150% | 11/15/30 | 130 | 146 | American Water Capital Corp. | 4.150% | 6/1/49 | 25 | 30 |
| | Broadcom Inc. | 3.500% | 2/15/41 | 670 | 688 | American Water Capital Corp. | 3.450% | 5/1/50 | 95 | 103 |
| | Broadcom Inc. | 3.750% | 2/15/51 | 325 | 340 | Arizona Public Service Co. | 3.350% | 5/15/50 | 410 | 438 |
| | Cisco Systems Inc. | 2.500% | 9/20/26 | 431 | 462 | Baltimore Gas and Electric Co. | 2.900% | 6/15/50 | 238 | 238 |
| | Fidelity National Information Services Inc. | 1.650% | 3/1/28 | 245 | 243 | Berkshire Hathaway Energy Co. | 6.125% | 4/1/36 | 1,135 | 1,599 |
| | Global Payments Inc. | 2.900% | 5/15/30 | 535 | 557 | Berkshire Hathaway Energy Co. | 5.950% | 5/15/37 | 25 | 34 |
| | Intel Corp. | 2.875% | 5/11/24 | 800 | 851 | Berkshire Hathaway Energy Co. | 5.150% | 11/15/43 | 1,490 | 1,969 |
| | Intel Corp. | 4.100% | 5/19/46 | 1,360 | 1,634 | Berkshire Hathaway Energy Co. | 4.250% | 10/15/50 | 115 | 141 |
| | International Business Machines Corp. | 3.375% | 8/1/23 | 1,750 | 1,858 | Boston Gas Co. | 3.150% | 8/1/27 | 140 | 150 |
| | International Business Machines Corp. | 3.000% | 5/15/24 | 2,500 | 2,664 | Brooklyn Union Gas Co. | 3.407% | 3/10/26 | 95 | 103 |
| | International Business Machines Corp. | 3.300% | 5/15/26 | 4,500 | 4,949 | Brooklyn Union Gas Co. | 4.273% | 3/15/48 | 1,720 | 1,963 |
| | International Business Machines Corp. | 3.500% | 5/15/29 | 2,975 | 3,331 | CenterPoint Energy Houston Electric LLC | 4.250% | 2/1/49 | 195 | 243 |
| | International Business Machines Corp. | 5.875% | 11/29/32 | 1,010 | 1,384 | CenterPoint Energy Resources Corp. | 4.000% | 4/1/28 | 1,369 | 1,540 |
| | International Business Machines Corp. | 2.850% | 5/15/40 | 490 | 495 | Cleco Corporate Holdings LLC | 3.743% | 5/1/26 | 185 | 202 |
| | International Business Machines Corp. | 2.950% | 5/15/50 | 195 | 196 | Cleco Corporate Holdings LLC | 3.375% | 9/15/29 | 405 | 419 |
| | Microsoft Corp. | 2.875% | 2/6/24 | 975 | 1,032 | Commonwealth Edison Co. | 2.950% | 8/15/27 | 645 | 697 |
| | Microsoft Corp. | 2.700% | 2/12/25 | 760 | 814 | Commonwealth Edison Co. | 4.350% | 11/15/45 | 375 | 466 |
| | Microsoft Corp. | 3.125% | 11/3/25 | 435 | 475 | Commonwealth Edison Co. | 3.650% | 6/15/46 | 175 | 198 |
| | Microsoft Corp. | 2.400% | 8/8/26 | 1,890 | 2,014 | Commonwealth Edison Co. | 4.000% | 3/1/48 | 480 | 575 |
| | Microsoft Corp. | 3.500% | 2/12/35 | 605 | 701 | Consolidated Edison Co. of New York Inc. | 4.500% | 12/1/45 | 980 | 1,186 |
| | Microsoft Corp. | 3.450% | 8/8/36 | 822 | 950 | Consolidated Edison Co. of New York Inc. | 3.850% | 6/15/46 | 76 | 84 |
| | Microsoft Corp. | 2.525% | 6/1/50 | 3,336 | 3,278 | Consolidated Edison Co. of New York Inc. | 3.950% | 4/1/50 | 50 | 57 |
| | Microsoft Corp. | 2.921% | 3/17/52 | 3,287 | 3,487 | Consolidated Edison Co. of New York Inc. | 4.625% | 12/1/54 | 1,835 | 2,307 |
| | Oracle Corp. | 2.800% | 7/8/21 | 375 | 375 | Consolidated Edison Co. of New York Inc. | 4.500% | 5/15/58 | 630 | 764 |
| | Oracle Corp. | 2.500% | 5/15/22 | 1,210 | 1,229 | Delmarva Power & Light Co. | 3.500% | 11/15/23 | 305 | 325 |
| | Oracle Corp. | 2.950% | 11/15/24 | 2,190 | 2,333 | Dominion Energy Inc. | 2.715% | 8/15/21 | 450 | 451 |
| | Oracle Corp. | 2.950% | 5/15/25 | 355 | 378 | | | | | |
| Oracle Corp. | 1.650% | 3/25/26 | 1,930 | 1,957 | | | | | | |
| Oracle Corp. | 3.250% | 11/15/27 | 3,065 | 3,329 | | | | | | |
| Oracle Corp. | 4.000% | 11/15/47 | 895 | 976 | | | | | | |
| Oracle Corp. | 3.950% | 3/25/51 | 480 | 524 | | | | | | |
| Oracle Corp. | 3.850% | 4/1/60 | 540 | 572 | | | | | | |
| QUALCOMM Inc. | 1.300% | 5/20/28 | 744 | 728 | | | | | | |
| QUALCOMM Inc. | 2.150% | 5/20/30 | 1,075 | 1,100 | | | | | | |
| QUALCOMM Inc. | 1.650% | 5/20/32 | 1,112 | 1,063 | | | | | | |
| QUALCOMM Inc. | 3.250% | 5/20/50 | 385 | 415 | | | | | | |
| | | | | 64,860 | | | | | | |

Balanced Portfolio

| | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|---|---|--------|---------------|---------------------|-----------------------|---|--|---------------|---------------------|-----------------------|-------|
| 5 | Dominion Energy Inc. | 2.450% | 1/15/23 | 3,240 | 3,336 | | Florida Power & Light Co. | 4.950% | 6/1/35 | 1,000 | 1,313 |
| | Dominion Energy Inc. | 5.250% | 8/1/33 | 1,000 | 1,253 | | Florida Power & Light Co. | 5.950% | 2/1/38 | 785 | 1,132 |
| | Dominion Energy Inc. | 4.600% | 3/15/49 | 760 | 956 | | Florida Power & Light Co. | 5.690% | 3/1/40 | 675 | 964 |
| | Dominion Energy South Carolina Inc. | 6.625% | 2/1/32 | 138 | 193 | | Florida Power & Light Co. | 3.700% | 12/1/47 | 480 | 565 |
| | Dominion Energy South Carolina Inc. | 5.300% | 5/15/33 | 44 | 57 | | Fortis Inc. | 3.055% | 10/4/26 | 1,195 | 1,285 |
| | Dominion Energy South Carolina Inc. | 5.450% | 2/1/41 | 95 | 130 | | Georgia Power Co. | 5.400% | 6/1/40 | 205 | 261 |
| | Dominion Energy South Carolina Inc. | 4.600% | 6/15/43 | 202 | 259 | 5 | Georgia Power Co. | 4.750% | 9/1/40 | 988 | 1,221 |
| | DTE Energy Co. | 3.800% | 3/15/27 | 250 | 278 | 5 | Georgia Power Co. | 4.300% | 3/15/42 | 1,076 | 1,275 |
| | Duke Energy Carolinas LLC | 6.100% | 6/1/37 | 391 | 545 | 5 | Georgia Power Co. | 3.700% | 1/30/50 | 170 | 185 |
| | Duke Energy Carolinas LLC | 3.700% | 12/1/47 | 470 | 530 | | Indiana Michigan Power Co. | 4.250% | 8/15/48 | 415 | 505 |
| | Duke Energy Corp. | 2.650% | 9/1/26 | 315 | 333 | 5 | KeySpan Gas East Corp. | 2.742% | 8/15/26 | 670 | 703 |
| | Duke Energy Corp. | 3.400% | 6/15/29 | 350 | 383 | 5 | Massachusetts Electric Co. | 5.900% | 11/15/39 | 585 | 812 |
| | Duke Energy Corp. | 3.300% | 6/15/41 | 945 | 967 | 5 | Metropolitan Edison Co. | 4.300% | 1/15/29 | 249 | 279 |
| | Duke Energy Corp. | 4.800% | 12/15/45 | 1,200 | 1,471 | | MidAmerican Energy Co. | 4.400% | 10/15/44 | 15 | 19 |
| | Duke Energy Corp. | 3.750% | 9/1/46 | 265 | 283 | | MidAmerican Energy Co. | 4.250% | 5/1/46 | 45 | 56 |
| | Duke Energy Corp. | 3.500% | 6/15/51 | 990 | 1,024 | | MidAmerican Energy Co. | 4.250% | 7/15/49 | 315 | 396 |
| | Duke Energy Florida LLC | 6.350% | 9/15/37 | 200 | 295 | 5 | MidAmerican Energy Co. | 3.150% | 4/15/50 | 1,390 | 1,486 |
| | Duke Energy Progress LLC | 6.300% | 4/1/38 | 365 | 530 | 5 | Mid-Atlantic Interstate Transmission LLC | 4.100% | 5/15/28 | 220 | 247 |
| | Duke Energy Progress LLC | 4.100% | 3/15/43 | 118 | 140 | 5 | Monongahela Power Co. | 5.400% | 12/15/43 | 135 | 177 |
| | Duke Energy Progress LLC | 4.200% | 8/15/45 | 2,045 | 2,465 | | National Rural Utilities Cooperative Finance Corp. | 2.950% | 2/7/24 | 415 | 438 |
| 5 | East Ohio Gas Co. | 2.000% | 6/15/30 | 325 | 322 | | National Rural Utilities Cooperative Finance Corp. | 2.850% | 1/27/25 | 1,040 | 1,106 |
| 5 | East Ohio Gas Co. | 3.000% | 6/15/50 | 475 | 474 | | Nevada Power Co. | 3.125% | 8/1/50 | 380 | 393 |
| | Eastern Energy Gas Holdings LLC | 3.550% | 11/1/23 | 470 | 498 | | NextEra Energy Capital Holdings Inc. | 2.403% | 9/1/21 | 1,295 | 1,300 |
| | Eastern Energy Gas Holdings LLC | 3.000% | 11/15/29 | - | - | | NextEra Energy Capital Holdings Inc. | 3.250% | 4/1/26 | 260 | 282 |
| 5 | Eastern Gas Transmission & Storage Inc. | 3.000% | 11/15/29 | 585 | 616 | | NextEra Energy Capital Holdings Inc. | 3.550% | 5/1/27 | 880 | 973 |
| 5 | Eastern Gas Transmission & Storage Inc. | 4.800% | 11/1/43 | 125 | 147 | | NextEra Energy Capital Holdings Inc. | 1.900% | 6/15/28 | 670 | 678 |
| 5 | Eastern Gas Transmission & Storage Inc. | 4.600% | 12/15/44 | 1,603 | 1,847 | | NextEra Energy Capital Holdings Inc. | 3.500% | 4/1/29 | 390 | 432 |
| 5 | Electricite de France SA | 4.875% | 9/21/38 | 2,200 | 2,710 | | NextEra Energy Capital Holdings Inc. | 2.750% | 11/1/29 | 590 | 623 |
| 5 | Electricite de France SA | 4.875% | 1/22/44 | 50 | 63 | 5 | NextEra Energy Capital Holdings Inc. | 2.250% | 6/1/30 | 1,185 | 1,196 |
| 5 | Electricite de France SA | 4.950% | 10/13/45 | 400 | 514 | 5 | Niagara Mohawk Power Corp. | 4.278% | 12/15/28 | 1,000 | 1,144 |
| | Emera U.S. Finance LP | 3.550% | 6/15/26 | 965 | 1,055 | | Niagara Mohawk Power Corp. | 3.025% | 6/27/50 | 540 | 528 |
| | Entergy Louisiana LLC | 3.120% | 9/1/27 | 410 | 447 | | NiSource Inc. | 5.250% | 2/15/43 | 390 | 508 |
| | Evergy Inc. | 2.450% | 9/15/24 | 425 | 445 | | NiSource Inc. | 4.800% | 2/15/44 | 270 | 335 |
| | Evergy Kansas Central Inc. | 3.250% | 9/1/49 | 630 | 664 | 5 | Northern States Power Co. | 6.250% | 6/1/36 | 2,000 | 2,865 |
| | Evergy Metro Inc. | 2.250% | 6/1/30 | 205 | 209 | 5 | | | | | |
| | Evergy Metro Inc. | 4.200% | 3/15/48 | 137 | 167 | | | | | | |
| | Eversource Energy | 2.900% | 10/1/24 | 690 | 731 | | | | | | |
| | Eversource Energy | 3.150% | 1/15/25 | 110 | 117 | | | | | | |
| | Eversource Energy | 3.300% | 1/15/28 | 400 | 437 | | | | | | |
| | Florida Power & Light Co. | 5.650% | 2/1/35 | 1,000 | 1,357 | | | | | | |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | |
|---------------------------------|--|---------------|---------------------|-----------------------|-------|---|--|---------------------|-----------------------|---------|-------|
| 3,5 | Oglethorpe Power Corp. | 6.191 % | 1/1/31 | 1,065 | 1,340 | Union Electric Co. | 4.000% | 4/1/48 | 423 | 502 | |
| | Oglethorpe Power Corp. | 5.950% | 11/1/39 | 170 | 227 | Virginia Electric and Power Co. | 2.750% | 3/15/23 | 690 | 714 | |
| | Oglethorpe Power Corp. | 4.550% | 6/1/44 | 50 | 57 | Virginia Electric and Power Co. | 3.500% | 3/15/27 | 435 | 483 | |
| | Oglethorpe Power Corp. | 4.250% | 4/1/46 | 537 | 595 | Wisconsin Electric Power Co. | 5.700% | 12/1/36 | 690 | 941 | |
| | Oglethorpe Power Corp. | 5.050% | 10/1/48 | 80 | 101 | | | | | 105,385 | |
| | Oglethorpe Power Corp. | 5.250% | 9/1/50 | 630 | 793 | Total Corporate Bonds (Cost \$702,632)770,415 | | | | | |
| | Oncor Electric Delivery Co. LLC | 4.550% | 12/1/41 | 75 | 95 | Sovereign Bonds (0.4%) | | | | | |
| | PacifiCorp | 6.250% | 10/15/37 | 2,000 | 2,851 | 5 | Government of Bermuda | 2.375% | 8/20/30 | 400 | 400 |
| | PacifiCorp | 4.125% | 1/15/49 | 26 | 31 | 5 | Government of Bermuda | 3.375% | 8/20/50 | 200 | 204 |
| | PacifiCorp | 4.150% | 2/15/50 | 345 | 419 | | International Bank for Reconstruction & Development | 4.750% | 2/15/35 | 2,000 | 2,670 |
| PacifiCorp | 3.300% | 3/15/51 | 169 | 180 | 5 | Kingdom of Saudi Arabia | 2.875% | 3/4/23 | 930 | 965 | |
| Potomac Electric Power Co. | 3.050% | 4/1/22 | 460 | 469 | | Republic of Chile | 2.550% | 1/27/32 | 1,075 | 1,099 | |
| Potomac Electric Power Co. | 6.500% | 11/15/37 | 750 | 1,101 | | Republic of Chile | 3.500% | 4/15/53 | 775 | 816 | |
| San Diego Gas & Electric Co. | 6.000% | 6/1/26 | 600 | 732 | | Republic of Chile | 3.100% | 1/22/61 | 410 | 392 | |
| San Diego Gas & Electric Co. | 3.750% | 6/1/47 | 160 | 183 | | Republic of Colombia | 4.000% | 2/26/24 | 970 | 1,027 | |
| San Diego Gas & Electric Co. | 4.150% | 5/15/48 | 545 | 660 | | Republic of Panama | 2.252% | 9/29/32 | 1,720 | 1,651 | |
| 3 | SCE Recovery Funding LLC | 0.861 % | 11/15/31 | 310 | 302 | 3 | Republic of Panama | 3.870% | 7/23/60 | 1,385 | 1,415 |
| | SCE Recovery Funding LLC | 1.942 % | 5/15/38 | 110 | 107 | 5 | State of Qatar | 3.875% | 4/23/23 | 1,985 | 2,109 |
| | SCE Recovery Funding LLC | 2.510% | 11/15/43 | 100 | 96 | 5 | State of Qatar | 4.400% | 4/16/50 | 430 | 523 |
| | Sempra Energy | 2.875% | 10/1/22 | 750 | 768 | Total Sovereign Bonds (Cost \$12,434)13,271 | | | | | |
| | Sempra Energy | 3.250% | 6/15/27 | 1,095 | 1,188 | Taxable Municipal Bonds (1.5%) | | | | | |
| | Sempra Energy | 6.000% | 10/15/39 | 600 | 835 | | Atlanta GA Water & Wastewater Water Revenue | 2.257% | 11/1/35 | 40 | 41 |
| | Sierra Pacific Power Co. | 3.375% | 8/15/23 | 850 | 895 | | Bay Area Toll Authority Highway Revenue | 2.574% | 4/1/31 | 450 | 475 |
| | Sierra Pacific Power Co. | 2.600% | 5/1/26 | 221 | 235 | | Bay Area Toll Authority Highway Revenue | 6.263% | 4/1/49 | 60 | 97 |
| | Southern California Edison Co. | 2.400% | 2/1/22 | 170 | 171 | | Bay Area Toll Authority Highway Revenue | 7.043% | 4/1/50 | 820 | 1,423 |
| | Southern California Edison Co. | 3.700% | 8/1/25 | 90 | 98 | | Broward FL Airport System Port, Airport & Marina Revenue | 3.477% | 10/1/43 | 300 | 313 |
| Southern California Edison Co. | 6.000% | 1/15/34 | 1,000 | 1,300 | | California GO | 7.500% | 4/1/34 | 155 | 244 | |
| Southern California Edison Co. | 5.550% | 1/15/37 | 2,250 | 2,811 | | California GO | 7.350% | 11/1/39 | 1,550 | 2,496 | |
| Southern California Edison Co. | 6.050% | 3/15/39 | 55 | 73 | | Chicago O'Hare International Airport Port, Airport & Marina Revenue | 6.395% | 1/1/40 | 155 | 233 | |
| Southern California Edison Co. | 4.000% | 4/1/47 | 195 | 205 | | Chicago Transit Authority Sales & Transfer Tax Receipts Sales Tax Revenue | 6.899% | 12/1/40 | 1,780 | 2,532 | |
| Southern California Edison Co. | 4.125% | 3/1/48 | 645 | 690 | | Chicago Transit Authority Sales & Transfer Tax Receipts Sales Tax Revenue | 6.899% | 12/1/40 | 825 | 1,172 | |
| Southern California Edison Co. | 3.650% | 2/1/50 | 155 | 155 | | Chicago Transit Authority Sales Tax Receipts Fund Sales Tax Revenue | 6.200% | 12/1/40 | 550 | 761 | |
| Southern California Gas Co. | 2.600% | 6/15/26 | 820 | 872 | 5 | Commonwealth of Massachusetts GO | 2.514% | 7/1/41 | 270 | 272 | |
| Southern Co. | 2.950% | 7/1/23 | 1,280 | 1,337 | | | | | | | |
| Southern Co. | 4.400% | 7/1/46 | 755 | 886 | | | | | | | |
| Southwest Gas Corp. | 2.200% | 6/15/30 | 230 | 230 | | | | | | | |
| Southwestern Electric Power Co. | 6.200% | 3/15/40 | 400 | 559 | | | | | | | |
| Southwestern Public Service Co. | 3.700% | 8/15/47 | 102 | 115 | | | | | | | |
| 5 | State Grid Overseas Investment 2016 Ltd. | 2.750% | 5/4/22 | 1,550 | 1,576 | | | | | | |
| | State Grid Overseas Investment 2016 Ltd. | 3.500% | 5/4/27 | 775 | 853 | | | | | | |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) | |
|---|--|---------------|---------------------|-----------------------|-------|--|---------------|---------------------|-----------------------|-------|
| 9 | Dallas-Fort Worth International Airport Port, Airport & Marina Revenue | 3.089% | 11/1/40 | 220 | 227 | Metropolitan Transportation Authority Transit Revenue | 6.200% | 11/15/26 | 60 | 69 |
| | Foothill-Eastern Transportation Corridor Agency Highway Revenue | 4.094% | 1/15/49 | 155 | 164 | Metropolitan Transportation Authority Transit Revenue | 6.814% | 11/15/40 | 785 | 1,151 |
| | Foothill-Eastern Transportation Corridor Agency Highway Revenue | 3.924% | 1/15/53 | 1,170 | 1,238 | Metropolitan Transportation Authority Transit Revenue | 5.175% | 11/15/49 | 910 | 1,228 |
| | Georgia Municipal Electric Authority Electric Power & Light Revenue | 6.637% | 4/1/57 | 1,852 | 2,806 | Michigan Finance Authority Health, Hospital, Nursing Home Revenue | 3.084% | 12/1/34 | 295 | 319 |
| | Grand Parkway Transportation Corp. Highway Revenue | 5.184% | 10/1/42 | 140 | 192 | New Jersey Turnpike Authority Highway Revenue | 7.414% | 1/1/40 | 410 | 673 |
| | Grand Parkway Transportation Corp. Texas System Highway Revenue | 3.236% | 10/1/52 | 930 | 951 | New York State Dormitory Authority Income Tax Revenue | 3.110% | 2/15/39 | 640 | 704 |
| | Great Lakes Water Authority Sewage Disposal System Sewer Revenue | 3.056% | 7/1/39 | 250 | 267 | New York State Dormitory Authority Income Tax Revenue | 3.190% | 2/15/43 | 355 | 388 |
| | Houston TX GO | 6.290% | 3/1/32 | 365 | 460 | New York State Thruway Authority Highway Revenue | 2.900% | 1/1/35 | 490 | 525 |
| | Illinois GO | 5.100% | 6/1/33 | 810 | 952 | New York State Thruway Authority Highway Revenue | 3.500% | 1/1/42 | 275 | 291 |
| | Illinois State Toll Highway Authority Highway Revenue | 6.184% | 1/1/34 | 750 | 1,043 | New York State Urban Development Corp. Income Tax Revenue | 2.100% | 3/15/22 | 790 | 800 |
| 9 | JobsOhio Beverage System Miscellaneous Revenue | 2.833% | 1/1/38 | 160 | 170 | North Texas Tollway Authority Highway Revenue | 3.011% | 1/1/43 | 295 | 300 |
| | Kansas Development Finance Authority Lease (Appropriation) Revenue | 5.501% | 5/1/34 | 2,000 | 2,550 | North Texas Tollway Authority Highway Revenue | 6.718% | 1/1/49 | 465 | 768 |
| | Maryland State Transportation Authority Transit Revenue | 5.888% | 7/1/43 | 545 | 744 | Oregon Department of Transportation Fuel Sales Tax Revenue | 5.834% | 11/15/34 | 655 | 914 |
| | Massachusetts School Building Authority Sales Tax Revenue | 1.753% | 8/15/30 | 890 | 890 | 9 Oregon School Boards Association GO | 5.528% | 6/30/28 | 2,000 | 2,369 |
| | Massachusetts School Building Authority Sales Tax Revenue | 5.715% | 8/15/39 | 1,000 | 1,414 | 10 Oregon State University College & University Revenue | 3.424% | 3/1/60 | 1,000 | 1,029 |
| | Massachusetts School Building Authority Sales Tax Revenue | 3.395% | 10/15/40 | 500 | 537 | 11 Philadelphia Authority for Industrial Development Miscellaneous Revenue | 6.550% | 10/15/28 | 1,945 | 2,528 |
| | Massachusetts School Building Authority Sales Tax Revenue | 2.950% | 5/15/43 | 650 | 669 | Port Authority of New York & New Jersey Port, Airport & Marina Revenue | 5.859% | 12/1/24 | 65 | 76 |
| | Metropolitan Transportation Authority Fuel Sales Tax Revenue | 6.089% | 11/15/40 | 445 | 632 | Port Authority of New York & New Jersey Port, Airport & Marina Revenue | 3.175% | 7/15/60 | 485 | 487 |
| | Metropolitan Transportation Authority Miscellaneous Taxes Revenue | 7.336% | 11/15/39 | 325 | 528 | | | | | |

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|---|--------|---------------|---------------------|-----------------------|
| Port Authority of New York & New Jersey Port, Airport & Marina Revenue | 4.458% | 10/1/62 | 1,175 | 1,542 |
| Port Authority of New York & New Jersey Port, Airport & Marina Revenue | 4.810% | 10/15/65 | 640 | 875 |
| Riverside CA General Fund Revenue | 3.857% | 6/1/45 | 260 | 282 |
| Riverside County CA Appropriations Revenue | 3.818% | 2/15/38 | 290 | 325 |
| Rutgers State University of New Jersey College & University Revenue | 3.270% | 5/1/43 | 350 | 373 |
| Sales Tax Securitization Corp. Sales Tax Revenue | 4.787% | 1/1/48 | 1,240 | 1,580 |
| San Antonio TX Electric & Gas Systems Electric Power & Light Revenue | 2.905% | 2/1/48 | 255 | 253 |
| State Board of Administration Finance Corp. Miscellaneous Revenue | 1.705% | 7/1/27 | 925 | 940 |
| Texas Transportation Commission GO | 2.562% | 4/1/42 | 235 | 238 |
| Texas Transportation Commission State Highway Fund Miscellaneous Revenue | 4.000% | 10/1/33 | 395 | 486 |
| University of California College & University Revenue | 1.316% | 5/15/27 | 385 | 386 |
| University of California College & University Revenue | 1.614% | 5/15/30 | 645 | 639 |
| University of California College & University Revenue | 4.601% | 5/15/31 | 590 | 700 |
| University of California College & University Revenue | 4.765% | 5/15/44 | 145 | 156 |
| University of California College & University Revenue | 3.931% | 5/15/45 | 570 | 647 |
| University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue | 6.548% | 5/15/48 | 90 | 141 |
| University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue | 6.583% | 5/15/49 | 695 | 1,087 |

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|---|--------|---------------|---------------------|-----------------------|
| University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue | 3.006% | 5/15/50 | 450 | 463 |
| University of California Regents Medical Center Pooled Health, Hospital, Nursing Home Revenue | 3.256% | 5/15/60 | 780 | 829 |
| Utility Debt Securitization Authority Electric Power & Light Revenue | 3.435% | 12/15/25 | 174 | 180 |
| Total Taxable Municipal Bonds (Cost \$45,577) | | | | 53,234 |

Shares

Temporary Cash Investments (2.8%)

Money Market Fund (0.4%)

| | | | |
|---|--------|---------|--------|
| ^{12,13} Vanguard Market Liquidity Fund | 0.056% | 124,117 | 12,412 |
|---|--------|---------|--------|

Balanced Portfolio

| | Coupon | Maturity Date | Face Amount (\$000) | Market Value* (\$000) |
|---|--------|------------------|---------------------------|-----------------------------|
| Repurchase Agreement (2.4%) | | | | |
| RBS Securities Inc. (Dated 6/30/21, Repurchase Value \$85,600,000, collateralized by U.S. Treasury Note/Bond 1.625%–4.375%, 2/15/38–11/15/50, with a value of \$87,312,000) | 0.050% | 7/1/21 | 85,600 | 85,600 |
| Total Temporary Cash Investments (Cost \$98,012) | | | | 98,012 |
| Total Investments (100.8%) (Cost \$2,691,736) | | | | 3,560,478 |
| Other Assets and Liabilities—Net (-0.8%) | | | | (28,596) |
| Net Assets (100%) | | | | 3,531,882 |

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$11,980,000.

2 Securities with a value of \$209,000 have been segregated as initial margin for open futures contracts.

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

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

5 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2021, the aggregate value was \$212,387,000, representing 6.0% of net assets.

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

7 Security value determined using significant unobservable inputs.

8 Includes securities purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2021.

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

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

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

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

13 Collateral of \$12,400,000 was received for securities on loan.

1M—1-month.

3M—3-month.

ADR—American Depositary Receipt.

GO—General Obligation Bond.

LIBOR—London Interbank Offered Rate.

REMICs—Real Estate Mortgage Investment Conduits.

UMBS—Uniform Mortgage-Backed Securities.

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 | | | | |
| 10-Year U.S. Treasury Note | September 2021 | 67 | 8,878 | 21 |
| 5-Year U.S. Treasury Note | September 2021 | 77 | 9,504 | (24) |
| | | | | (3) |
| Short Futures Contracts | | | | |
| Ultra 10-Year U.S. Treasury Note | September 2021 | (101) | (14,868) | (64) |
| | | | | (67) |

Statement of Assets and Liabilities

As of June 30, 2021

| (\$000s, except shares and per-share amounts) | Amount |
|---|------------------|
| Assets | |
| Investments in Securities, at Value | |
| Unaffiliated Issuers (Cost \$2,679,324) | 3,548,066 |
| Affiliated Issuers (Cost \$12,412) | 12,412 |
| Total Investments in Securities | 3,560,478 |
| Investment in Vanguard | 123 |
| Foreign Currency, at Value (Cost \$218) | 221 |
| Receivables for Investment Securities Sold | 8,963 |
| Receivables for Accrued Income | 10,259 |
| Receivables for Capital Shares Issued | 702 |
| Total Assets | 3,580,746 |
| Liabilities | |
| Due to Custodian | 212 |
| Payables for Investment Securities Purchased | 31,416 |
| Collateral for Securities on Loan | 12,400 |
| Payables to Investment Advisor | 370 |
| Payables for Capital Shares Redeemed | 4,202 |
| Payables to Vanguard | 231 |
| Variation Margin Payable—Futures Contracts | 33 |
| Total Liabilities | 48,864 |
| Net Assets | 3,531,882 |

At June 30, 2021, net assets consisted of:

| | |
|--|------------------|
| Paid-in Capital | 2,454,355 |
| Total Distributable Earnings (Loss) | 1,077,527 |
| Net Assets | 3,531,882 |
| Net Assets | |
| Applicable to 134,516,516 outstanding \$.001 par value shares of beneficial interest (unlimited authorization) | 3,531,882 |
| Net Asset Value Per Share | \$26.26 |

Statement of Operations

| | Six Months Ended June 30, 2021 |
|--|-----------------------------------|
| | (\$000) |
| Investment Income | |
| Income | |
| Dividends ¹ | 22,136 |
| Interest | 14,797 |
| Securities Lending—Net | 19 |
| Total Income | 36,952 |
| Expenses | |
| Investment Advisory Fees—Note B | |
| Basic Fee | 862 |
| Performance Adjustment | (148) |
| The Vanguard Group—Note C | |
| Management and Administrative | 2,626 |
| Marketing and Distribution | 75 |
| Custodian Fees | 16 |
| Shareholders' Reports | 10 |
| Trustees' Fees and Expenses | 1 |
| Total Expenses | 3,442 |
| Net Investment Income | 33,510 |
| Realized Net Gain (Loss) | |
| Investment Securities Sold ² | 179,282 |
| Futures Contracts | 338 |
| Forward Currency Contracts | 107 |
| Foreign Currencies | (30) |
| Realized Net Gain (Loss) | 179,697 |
| Change in Unrealized Appreciation (Depreciation) | |
| Investment Securities ² | 115,075 |
| Futures Contracts | (83) |
| Forward Currency Contracts | 24 |
| Foreign Currencies | (48) |
| Change in Unrealized Appreciation (Depreciation) | 114,968 |
| Net Increase (Decrease) in Net Assets Resulting from Operations | 328,175 |

¹ Dividends are net of foreign withholding taxes of \$960,000.

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

Statement of Changes in Net Assets

| | Six Months Ended June 30, 2021 | Year Ended December 31, 2020 |
|--|--------------------------------------|------------------------------------|
| | (\$000) | (\$000) |
| Increase (Decrease) in Net Assets | | |
| Operations | | |
| Net Investment Income | 33,510 | 69,665 |
| Realized Net Gain (Loss) | 179,697 | 175,861 |
| Change in Unrealized Appreciation (Depreciation) | 114,968 | 68,099 |
| Net Increase (Decrease) in Net Assets Resulting from Operations | 328,175 | 313,625 |
| Distributions | | |
| Total Distributions | (240,358) | (186,299) |
| Capital Share Transactions | | |
| Issued | 125,697 | 249,434 |
| Issued in Lieu of Cash Distributions | 240,358 | 186,299 |
| Redeemed | (268,294) | (483,258) |
| Net Increase (Decrease) from Capital Share Transactions | 97,761 | (47,525) |
| Total Increase (Decrease) | 185,578 | 79,801 |
| Net Assets | | |
| Beginning of Period | 3,346,304 | 3,266,503 |
| End of Period | 3,531,882 | 3,346,304 |

Financial Highlights

| For a Share Outstanding Throughout Each Period | Six Months Ended June 30, 2021 | Year Ended December 31, | | | | |
|--|---|-------------------------|-------------------|-------------------|-------------------|----------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
| Net Asset Value, Beginning of Period | \$25.68 | \$24.94 | \$22.20 | \$24.80 | \$23.03 | \$22.32 |
| Investment Operations | | | | | | |
| Net Investment Income | .252 ¹ | .526 ¹ | .623 ¹ | .626 ¹ | .582 ¹ | .581 |
| Net Realized and Unrealized Gain (Loss) on Investments | 2.203 | 1.692 | 4.105 | (1.414) | 2.648 | 1.713 |
| Total from Investment Operations | 2.455 | 2.218 | 4.728 | (.788) | 3.230 | 2.294 |
| Distributions | | | | | | |
| Dividends from Net Investment Income | (.497) | (.666) | (.660) | (.582) | (.567) | (.576) |
| Distributions from Realized Capital Gains | (1.378) | (.812) | (1.328) | (1.230) | (.893) | (1.008) |
| Total Distributions | (1.875) | (1.478) | (1.988) | (1.812) | (1.460) | (1.584) |
| Net Asset Value, End of Period | \$26.26 | \$25.68 | \$24.94 | \$22.20 | \$24.80 | \$23.03 |
| Total Return | 10.01% | 10.68% | 22.48% | -3.41% | 14.72% | 11.01% |
| Ratios/Supplemental Data | | | | | | |
| Net Assets, End of Period (Millions) | \$3,532 | \$3,346 | \$3,267 | \$2,708 | \$2,942 | \$2,554 |
| Ratio of Total Expenses to Average Net Assets ² | 0.20% | 0.20% | 0.21% | 0.21% | 0.23% | 0.23% |
| Ratio of Net Investment Income to Average Net Assets | 1.87% | 2.24% | 2.68% | 2.67% | 2.49% | 2.66% |
| Portfolio Turnover Rate ³ | 17% | 49% | 29% | 36% | 28% | 33% |

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

1 Calculated based on average shares outstanding.

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

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

Notes to Financial Statements

The Balanced Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Certain of the portfolio's investments are in corporate debt instruments; the issuers' abilities to meet their obligations may be affected by economic developments in their respective industries. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

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

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

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

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

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

During the six months ended June 30, 2021, the portfolio's average investments in long and short futures contracts each represented less than 1% of net assets, based on the average of the notional amounts at each quarter-end during the period.

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

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

During the six months ended June 30, 2021, the portfolio's average investment in forward currency contracts represented less than 1% of net assets, based on the average of the notional amounts at each quarter-end during the period.

The portfolio had no open forward currency contracts at June 30, 2021.

5. **To Be Announced (TBA) Transactions:** A TBA transaction is an agreement to buy or sell mortgage-backed securities with agreed-upon characteristics (face amount, coupon, maturity) for settlement at a future date. The portfolio may be a seller of TBA transactions to reduce its exposure to the mortgage-backed securities market or in order to sell mortgage-backed securities it owns under delayed-delivery arrangements. When the portfolio is a buyer of TBA transactions, it maintains cash or short-term investments in an amount sufficient to meet the purchase price at the settlement date of the TBA transaction. The primary risk associated with TBA transactions is that a counterparty may default on its obligations. The portfolio mitigates its counterparty risk by, among other things, performing a credit analysis of counterparties, allocating transactions among numerous counterparties, and monitoring its exposure to each counterparty. The portfolio may also enter into a Master Securities Forward Transaction Agreement (MSFTA) with certain counterparties and require them to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. Under an MSFTA, upon a counterparty default (including bankruptcy), the portfolio may terminate any TBA transactions with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements.

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

rate. Amounts to be received or paid in connection with open mortgage dollar rolls are included in Receivables for Investment Securities Sold or Payables for Investment Securities Purchased in the Statement of Assets and Liabilities.

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

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

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

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

11. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; 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 either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow

money from and lend money to each other for temporary or emergency purposes (the “Interfund Lending Program”), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio’s investment objective and investment policies. Interfund loans and borrowings normally extend overnight, but can have a maximum duration of seven days. Loans may be called on one business day’s notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the six months ended June 30, 2021, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

12. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP provides investment advisory services to the portfolio for a fee calculated at an annual percentage rate of average net assets. The basic fee is subject to quarterly adjustments based on the portfolio’s performance relative to the combined index comprising the S&P 500 Index and the Bloomberg Barclays U.S. Credit A or Better Bond Index for the preceding three years. For the six months ended June 30, 2021, the investment advisory fee represented an effective annual basic rate of 0.05% of the portfolio’s average net assets, before a net decrease of \$148,000 (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 corporate management, administrative, marketing, and distribution services at Vanguard’s cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2021, the portfolio had contributed to Vanguard capital in the amount of \$123,000, representing less than 0.01% of the portfolio’s net assets and 0.05% of Vanguard’s capital received pursuant to the FSA. 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 and derivatives. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

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

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

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

Balanced Portfolio

The following table summarizes the market value of the portfolio's investments and derivatives as of June 30, 2021, based on the inputs used to value them:

| | Level 1 (\$000) | Level 2 (\$000) | Level 3 (\$000) | Total (\$000) |
|--|--------------------|--------------------|--------------------|------------------|
| Investments | | | | |
| Assets | | | | |
| Common Stocks | 2,129,143 | 180,803 | — | 2,309,946 |
| U.S. Government and Agency Obligations | — | 276,395 | — | 276,395 |
| Asset-Backed/Commercial Mortgage-Backed Securities | — | 34,435 | 4,770 | 39,205 |
| Corporate Bonds | — | 770,415 | — | 770,415 |
| Sovereign Bonds | — | 13,271 | — | 13,271 |
| Taxable Municipal Bonds | — | 53,234 | — | 53,234 |
| Temporary Cash Investments | 12,412 | 85,600 | — | 98,012 |
| Total | 2,141,555 | 1,414,153 | 4,770 | 3,560,478 |
| Derivative Financial Instruments | | | | |
| Assets | | | | |
| Futures Contracts ¹ | 21 | — | — | 21 |
| Liabilities | | | | |
| Futures Contracts ¹ | 88 | — | — | 88 |

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

E. At June 30, 2021, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

| | Interest Rate Contracts (\$000) | Foreign Exchange Contracts (\$000) | Total (\$000) |
|--|---------------------------------------|---|------------------|
| Statement of Assets and Liabilities | | | |
| Unrealized Appreciation—Futures Contracts ¹ | 21 | — | 21 |
| Total Assets | 21 | — | 21 |
| Statement of Liabilities | | | |
| Unrealized Depreciation—Futures Contracts ¹ | 88 | — | 88 |
| Total Liabilities | 88 | — | 88 |

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

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2021, were:

| | Interest Rate Contracts (\$000) | Foreign Exchange Contracts (\$000) | Total (\$000) |
|--|---------------------------------------|---|------------------|
| Realized Net Gain (Loss) on Derivatives | | | |
| Futures Contracts | 338 | — | 338 |
| Forward Currency Contracts | — | 107 | 107 |
| Realized Net Gain (Loss) on Derivatives | 338 | 107 | 445 |
| Change in Unrealized Appreciation (Depreciation) on Derivatives | | | |
| Futures Contracts | (83) | — | (83) |
| Forward Currency Contracts | — | 24 | 24 |
| Change in Unrealized Appreciation (Depreciation) on Derivatives | (83) | 24 | (59) |

F. As of June 30, 2021, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

| | Amount (\$000) |
|--|-------------------|
| Tax Cost | 2,693,438 |
| Gross Unrealized Appreciation | 879,519 |
| Gross Unrealized Depreciation | (12,546) |
| Net Unrealized Appreciation (Depreciation) | 866,973 |

G. During the six months ended June 30, 2021, the portfolio purchased \$334,016,000 of investment securities and sold \$479,285,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were \$223,701,000 and \$141,223,000, respectively.

H. Capital shares issued and redeemed were:

| | Six Months Ended June 30, 2021 | Year Ended December 31, 2020 |
|---|---|------------------------------------|
| | Shares (000) | Shares (000) |
| Issued | 4,865 | 10,781 |
| Issued in Lieu of Cash Distributions | 9,715 | 9,447 |
| Redeemed | (10,378) | (20,878) |
| Net Increase (Decrease) in Shares Outstanding | 4,202 | (650) |

At June 30, 2021, 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 71% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

I. Management has determined that no events or transactions occurred subsequent to June 30, 2021, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

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

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

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

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

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

Nature, extent, and quality of services

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

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

Investment performance

The board considered the short- and long-term performance of the portfolio, including any periods of outperformance or underperformance compared with a relevant benchmark index and peer group. The board concluded that the performance was such that the advisory arrangement should continue.

Cost

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

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

The benefit of economies of scale

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

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

Liquidity Risk Management

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

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

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the Balanced Portfolio’s Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program’s operation, its adequacy, and the effectiveness of its implementation for the past year (the “Program Administrator Report”). The board has reviewed the Program Administrator Report covering the period from January 1, 2020, through December 31, 2020 (the “Review Period”). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio’s liquidity risk.

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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.