

Semiannual Report | June 30, 2021

Vanguard Variable Insurance Funds

High Yield Bond 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

High Yield Bond Portfolio	Beginning Account Value 12/31/2020	Ending Account Value 6/30/2021	Expenses Paid During Period
Based on Actual Portfolio Return	\$1,000.00	\$1,021.30	\$1.30
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.51	1.30

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 0.26%. 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).

High Yield Bond Portfolio

Portfolio Allocation

As of June 30, 2021

Communications	20.2%
Consumer Discretionary	14.9
Consumer Staples	4.4
Energy	8.6
Financials	9.8
Health Care	10.2
Industrials	6.5
Materials	11.0
Real Estate	0.7
Technology	11.7
Utilities	2.0
Other	0.0

The table reflects the portfolio's investments, except for short-term investments and derivatives.

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.

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Corporate Bonds (93.6%)										
Communications (18.9%)										
^{1,2} Altice France SA	2.125%	2/15/25	585	676						
¹ Altice France SA	7.375%	5/1/26	1,810	1,882						
¹ Altice France SA	5.500%	1/15/28	1,700	1,759						
¹ Altice France SA	5.125%	7/15/29	815	824						
Belo Corp.	7.750%	6/1/27	920	1,086						
Belo Corp.	7.250%	9/15/27	667	779						
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	5.750%	2/15/26	385	398						
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	5.500%	5/1/26	1,738	1,797						
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	5.000%	2/1/28	320	336						
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	8/15/30	2,530	2,639						
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.250%	2/1/31	2,055	2,094						
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	5/1/32	3,161	3,272						
Charter Communications Operating LLC / Charter Communications Operating Capital	5.375%	5/1/47	500	613						
Charter Communications Operating LLC / Charter Communications Operating Capital	5.125%	7/1/49	600	717						
¹ CSC Holdings LLC	5.500%	4/15/27	2,610	2,739						
¹ CSC Holdings LLC	6.500%	2/1/29	1,025	1,135						
¹ CSC Holdings LLC	4.125%	12/1/30	4,305	4,291						
¹ CSC Holdings LLC	3.375%	2/15/31	1,935	1,828						
¹ CSC Holdings LLC	4.500%	11/15/31	3,900	3,926						
DISH DBS Corp.	5.875%	7/15/22	2,176	2,269						
DISH DBS Corp.	5.000%	3/15/23	1,384	1,450						
DISH DBS Corp.	5.875%	11/15/24	2,405	2,583						
DISH DBS Corp.	7.750%	7/1/26	3,685	4,171						
DISH DBS Corp.	7.375%	7/1/28	4,005	4,311						
Embarq Corp.	7.995%	6/1/36	865	980						
¹ Frontier Communications Corp.	5.875%	10/15/27	810	868						
¹ Frontier Communications Corp.	5.000%	5/1/28	4,105	4,246						
¹ Frontier Communications Corp.	6.750%	5/1/29	1,975	2,101						
Frontier Communications Holdings LLC	5.875%	11/1/29	1,380	1,404						
¹ Go Daddy Operating Co LLC / GD Finance Co. Inc.	3.500%	3/1/29	3,375	3,358						
¹ Gray Television Inc.	5.875%	7/15/26	2,280	2,354						
Lamar Media Corp.	3.750%	2/15/28	1,770	1,801						
Lamar Media Corp.	4.000%	2/15/30	1,920	1,947						
¹ Lamar Media Corp.	3.625%	1/15/31	1,311	1,282						
^{1,2} Lorca Telecom Bondco SA	4.000%	9/18/27	760	917						
Lumen Technologies Inc.	6.750%	12/1/23	755	837						
Lumen Technologies Inc.	7.500%	4/1/24	557	625						
¹ Netflix Inc.	3.625%	6/15/25	335	361						
¹ Outfront Media Capital LLC / Outfront Media Capital Corp.	5.000%	8/15/27	439	455						
					¹	Outfront Media Capital LLC / Outfront Media Capital Corp.	4.625%	3/15/30	2,132	2,161
						Quebecor Media Inc.	5.750%	1/15/23	2,810	3,005
					¹	Scripps Escrow II Inc.	3.875%	1/15/29	1,835	1,821
					¹	Sirius XM Radio Inc.	4.625%	7/15/24	1,640	1,684
					¹	Sirius XM Radio Inc.	5.375%	7/15/26	300	310
					¹	Sirius XM Radio Inc.	4.000%	7/15/28	1,090	1,125
					¹	Sirius XM Radio Inc.	4.125%	7/1/30	1,590	1,609
					¹	Sprint Capital Corp.	6.875%	11/15/28	915	1,174
						Sprint Capital Corp.	8.750%	3/15/32	720	1,094
						Sprint Corp.	7.875%	9/15/23	6,974	7,928
						Sprint Corp.	7.125%	6/15/24	2,101	2,428
						Sprint Corp.	7.625%	2/15/25	1,595	1,895
						Telecom Italia Capital SA	6.375%	11/15/33	381	454
						Telecom Italia Capital SA	6.000%	9/30/34	1,085	1,255
						Telecom Italia Capital SA	7.721%	6/4/38	1,280	1,747
					¹	Telecom Italia SPA	5.303%	5/30/24	445	487
					¹	Telenet Finance Luxembourg Notes Sarl	5.500%	3/1/28	4,000	4,214
						Time Warner Cable LLC	5.875%	11/15/40	60	77
						Time Warner Cable LLC	5.500%	9/1/41	1,223	1,521
						T-Mobile USA Inc.	5.375%	4/15/27	3,510	3,738
					¹	T-Mobile USA Inc.	3.375%	4/15/29	1,810	1,870
					¹	T-Mobile USA Inc.	3.500%	4/15/31	2,105	2,172
					¹	UPC Broadband Finco BV	4.875%	7/15/31	2,410	2,419
					¹	UPC Holding BV	5.500%	1/15/28	2,050	2,149
						ViacomCBS Inc.	5.875%	2/28/57	2,560	2,605
						ViacomCBS Inc.	6.250%	2/28/57	944	1,080
					¹	Videotron Ltd.	5.000%	7/15/22	1,472	1,531
					¹	Videotron Ltd.	5.375%	6/15/24	260	285
					^{1,3}	Videotron Ltd.	5.125%	4/15/27	1,750	1,830
					¹	Videotron Ltd.	3.625%	6/15/28	2,565	2,077
					¹	Videotron Ltd.	3.625%	6/15/29	1,220	1,238
					¹	Virgin Media Secured Finance plc	5.500%	8/15/26	940	971
					^{1,4}	Virgin Media Secured Finance plc	4.500%	8/15/30	1,190	1,199
					¹	Virgin Media Vendor Financing Notes III DAC	4.875%	7/15/28	1,090	1,530
					¹	Virgin Media Vendor Financing Notes IV DAC	5.000%	7/15/28	1,075	1,097
					¹	Vmed O2 UK Financing I plc	4.250%	1/31/31	3,140	3,089
					¹	VTR Comunicaciones SPA	5.125%	1/15/28	563	589
					¹	VTR Finance NV	6.375%	7/15/28	255	272
					^{1,2}	WMG Acquisition Corp.	3.625%	10/15/26	220	267
					^{1,2}	WMG Acquisition Corp.	2.750%	7/15/28	520	624
					¹	WMG Acquisition Corp.	3.875%	7/15/30	1,515	1,533
					¹	WMG Acquisition Corp.	3.000%	2/15/31	2,085	1,980
					¹	Ziggo BV	5.500%	1/15/27	1,545	1,606
					¹	Ziggo BV	4.875%	1/15/30	2,299	2,359
									147,210	
					Consumer Discretionary (14.0%)					
					¹	1011778 BC ULC / New Red Finance Inc.	4.250%	5/15/24	2,059	2,082
					¹	1011778 BC ULC / New Red Finance Inc.	3.875%	1/15/28	1,185	1,200
					¹	1011778 BC ULC / New Red Finance Inc.	4.375%	1/15/28	1,500	1,522

High Yield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		
¹	1011778 BC ULC / New Red Finance Inc.	3.500%	2/15/29	500	494	¹	Hanesbrands Inc.	4.875%	5/15/26	2,974	3,212
¹	1011778 BC ULC / New Red Finance Inc.	4.000%	10/15/30	2,465	2,385	^{5,6}	IRB Holding Corp. Bank Loan, 3M USD LIBOR + 3.250%	4.250%	10/31/26	2,786	2,783
¹	Adient Global Holdings Ltd.	4.875%	8/15/26	1,090	1,121	¹	Jacobs Entertainment Inc.	7.875%	2/1/24	600	626
¹	American Builders & Contractors Supply Co. Inc.	4.000%	1/15/28	2,226	2,280	¹	JELD-WEN Inc.	4.625%	12/15/25	345	353
¹	American Builders & Contractors Supply Co. Inc.	3.875%	11/15/29	1,165	1,157	¹	JELD-WEN Inc.	4.875%	12/15/27	515	537
	Asbury Automotive Group Inc.	4.500%	3/1/28	745	771	¹	KAR Auction Services Inc.	5.125%	6/1/25	2,069	2,123
	Asbury Automotive Group Inc.	4.750%	3/1/30	489	511		KB Home	7.500%	9/15/22	215	231
¹	Beacon Roofing Supply Inc.	4.125%	5/15/29	490	488		KB Home	7.625%	5/15/23	1,300	1,413
^{5,6}	Beacon Roofing Supply Inc. Bank Loan, 1M USD LIBOR + 2.500%	2.604%	11/30/27	803	799		KB Home	4.800%	11/15/29	405	439
	Boyd Gaming Corp.	4.750%	12/1/27	3,725	3,855	¹	KFC Holding Co. / Pizza Hut Holdings LLC / Taco Bell of America LLC	4.750%	6/1/27	1,010	1,056
¹	Caesars Entertainment Inc.	6.250%	7/1/25	1,810	1,920	¹	L Brands Inc.	6.694%	1/15/27	300	354
¹	Caesars Entertainment Inc.	8.125%	7/1/27	1,810	2,014	¹	L Brands Inc.	6.625%	10/1/30	2,130	2,464
¹	Caesars Resort Collection LLC / CRC Finco Inc.	5.750%	7/1/25	610	643		Lennar Corp.	4.125%	1/15/22	685	692
¹	Caesars Resort Collection LLC / CRC Finco Inc.	5.250%	10/15/25	4,754	4,815		Lennar Corp.	4.500%	4/30/24	1,965	2,150
	Cedar Fair LP	5.250%	7/15/29	1,645	1,696		Lennar Corp.	5.250%	6/1/26	130	150
	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp.	5.375%	6/1/24	535	541	¹	Lithia Motors Inc.	5.250%	8/1/25	171	176
	Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp. / Millennium Op	5.375%	4/15/27	775	800	¹	Lithia Motors Inc.	4.625%	12/15/27	1,945	2,058
^{1,2}	Cirsa Finance International Sarl	6.250%	12/20/23	1,460	1,753	¹	Macy's Retail Holdings LLC	2.875%	2/15/23	106	107
¹	Cirsa Finance International Sarl	7.875%	12/20/23	1,523	1,552	¹	Macy's Retail Holdings LLC	3.625%	6/1/24	966	991
¹	Clarios Global LP / Clarios U.S. Finance Co.	6.250%	5/15/26	322	343	¹	Macy's Retail Holdings LLC	5.875%	4/1/29	1,444	1,552
¹	Clarios Global LP / Clarios US Finance Co.	8.500%	5/15/27	804	876	¹	Macy's Retail Holdings LLC	4.500%	12/15/34	410	386
^{5,6}	Clarios Global LP Bank Loan, 1M USD LIBOR + 3.250%	3.354%	11/30/25	986	976	¹	Macy's Retail Holdings LLC	5.125%	1/15/42	207	191
	Ford Motor Credit Co. LLC	5.875%	8/2/21	1,332	1,337	¹	Macy's Retail Holdings LLC	4.300%	2/15/43	915	758
	Ford Motor Credit Co. LLC	3.813%	10/12/21	580	584	¹	Magic Mergeco Inc.	5.250%	5/1/28	825	847
	Ford Motor Credit Co. LLC	5.596%	1/7/22	220	225	¹	Magic Mergeco Inc.	7.875%	5/1/29	1,445	1,489
	Ford Motor Credit Co. LLC	3.219%	1/9/22	410	414	¹	Mattel Inc.	6.750%	12/31/25	161	169
	Ford Motor Credit Co. LLC	3.339%	3/28/22	200	203	¹	Mattel Inc.	3.375%	4/1/26	635	658
	Ford Motor Credit Co. LLC	2.979%	8/3/22	250	253	¹	Mattel Inc.	5.875%	12/15/27	1,910	2,082
	Ford Motor Credit Co. LLC	4.250%	9/20/22	420	434	¹	MGM Resorts International	6.000%	3/15/23	680	727
	Ford Motor Credit Co. LLC	3.350%	11/1/22	1,175	1,204	¹	MGM Resorts International	5.750%	6/15/25	985	1,086
	Ford Motor Credit Co. LLC	3.087%	1/9/23	900	918	¹	NMG Holding Co. Inc. / Neiman Marcus Group LLC	7.125%	4/1/26	460	491
	Ford Motor Credit Co. LLC	3.370%	11/17/23	395	410	¹	Penn National Gaming Inc.	4.125%	7/1/29	845	844
	Ford Motor Credit Co. LLC	4.134%	8/4/25	380	406	¹	Petsmart Inc.	4.750%	2/15/28	580	602
	Ford Motor Credit Co. LLC	3.375%	11/13/25	470	487	¹	Petsmart Inc.	7.750%	2/15/29	250	276
	Ford Motor Credit Co. LLC	4.389%	1/8/26	200	216	¹	PulteGroup Inc.	5.500%	3/1/26	818	958
⁶	Ford Motor Credit Co. LLC, 3M USD LIBOR + 1.080%	1.256%	8/3/22	575	574	¹	PVH Corp.	4.625%	7/10/25	1,135	1,266
⁶	Ford Motor Credit Co. LLC, 3M USD LIBOR + 1.235%	1.391%	2/15/23	255	254	¹	Scientific Games International Inc.	7.000%	5/15/28	1,975	2,158
^{5,6}	Great Outdoors Group LLC Bank Loan, 6M USD LIBOR + 4.250%	5.000%	11/30/27	2,154	2,165	¹	Service Corp. International	4.625%	12/15/27	505	535
¹	Group 1 Automotive Inc.	4.000%	8/15/28	125	127	¹	Service Corp. International	5.125%	6/1/29	2,105	2,285
¹	Hanesbrands Inc.	4.625%	5/15/24	730	776	¹	Service Corp. International	3.375%	8/15/30	650	638
¹	Hanesbrands Inc.	5.375%	5/15/25	615	651	¹	Service Corp. International	4.000%	5/15/31	1,560	1,591
						^{5,6,7,8}	Speedway Motorsports LLC / Speedway Funding II Inc.	4.875%	11/1/27	600	609
						¹	SRAM LLC	—%	11/30/27	683	682
						¹	Taylor Morrison Communities Inc.	5.875%	6/15/27	750	850
						¹	Taylor Morrison Communities Inc.	5.125%	8/1/30	1,075	1,165
							Toll Brothers Finance Corp.	4.875%	11/15/25	295	331
							Toll Brothers Finance Corp.	4.875%	3/15/27	710	807
							Toll Brothers Finance Corp.	3.800%	11/1/29	1,161	1,245
							Under Armour Inc.	3.250%	6/15/26	2,310	2,395
						¹	William Carter Co.	5.500%	5/15/25	280	296
						¹	William Carter Co.	5.625%	3/15/27	404	425
						¹	Williams Scotsman International Inc.	4.625%	8/15/28	60	62
						¹	WW International Inc.	4.500%	4/15/29	1,445	1,459
						^{5,6}	WW International Inc. Bank Loan, 3M USD LIBOR + 3.500%	4.000%	11/30/27	325	326

High Yield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
¹ Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	5.500%	3/1/25	1,530	1,647	¹ EQM Midstream Partners LP	4.500%	1/15/29	990	1,007
¹ Yum! Brands Inc.	7.750%	4/1/25	1,150	1,253	¹ EQM Midstream Partners LP	4.750%	1/15/31	990	1,020
¹ Yum! Brands Inc.	4.750%	1/15/30	910	985	EQT Corp.	3.000%	10/1/22	385	393
Yum! Brands Inc.	3.625%	3/15/31	1,550	1,549	EQT Corp.	7.625%	2/1/25	145	169
				108,956	EQT Corp.	8.500%	2/1/30	699	910
Consumer Staples (4.1%)					¹ EQT Corp.	3.625%	5/15/31	640	669
B&G Foods Inc.	5.250%	9/15/27	4,020	4,189	^{5,6} NorthRiver Midstream Finance LP Bank Loan, 3M USD LIBOR + 3.250%	3.452%	10/31/24	725	718
^{1,4} Bellis Acquisition Co. plc	3.250%	2/16/26	508	704	Occidental Petroleum Corp.	3.400%	4/15/26	365	373
^{1,2} Darling Global Finance BV	3.625%	5/15/26	395	475	Occidental Petroleum Corp.	3.200%	8/15/26	100	101
¹ Darling Ingredients Inc.	5.250%	4/15/27	795	834	Occidental Petroleum Corp.	6.375%	9/1/28	240	279
¹ Energizer Holdings Inc.	4.750%	6/15/28	3,420	3,516	Occidental Petroleum Corp.	3.500%	8/15/29	128	128
¹ Energizer Holdings Inc.	4.375%	3/31/29	580	581	Occidental Petroleum Corp.	6.125%	1/1/31	676	795
^{5,6} Froneri International Ltd. Bank Loan, 1M USD LIBOR + 2.250%	2.354%	11/30/26	896	882	Ovintiv Inc.	7.200%	11/1/31	140	185
Kraft Heinz Foods Co.	4.250%	3/1/31	1,200	1,366	Ovintiv Inc.	7.375%	11/1/31	1,344	1,789
Kraft Heinz Foods Co.	5.200%	7/15/45	3,010	3,740	Ovintiv Inc.	6.500%	8/15/34	797	1,049
¹ Lamb Weston Holdings Inc.	4.875%	11/1/26	256	265	Ovintiv Inc.	6.500%	2/1/38	715	954
¹ Performance Food Group Inc.	6.875%	5/1/25	200	214	¹ Range Resources Corp.	8.250%	1/15/29	675	761
¹ Performance Food Group Inc.	5.500%	10/15/27	2,685	2,825	¹ Rockies Express Pipeline LLC	4.950%	7/15/29	207	214
¹ Post Holdings Inc.	5.750%	3/1/27	970	1,016	¹ Rockies Express Pipeline LLC	4.800%	5/15/30	166	167
¹ Post Holdings Inc.	5.625%	1/15/28	2,170	2,306	¹ Rockies Express Pipeline LLC	7.500%	7/15/38	1,134	1,249
¹ Post Holdings Inc.	4.625%	4/15/30	3,364	3,424	¹ Rockies Express Pipeline LLC	6.875%	4/15/40	420	447
¹ Post Holdings Inc.	4.500%	9/15/31	2,485	2,480	Sunoco LP / Sunoco Finance Corp.	5.500%	2/15/26	1,589	1,637
^{5,6} Revlon Consumer Products Corp. Bank Loan, 3M USD LIBOR + 3.500%	4.250%	11/30/22	752	384	Sunoco LP / Sunoco Finance Corp.	6.000%	4/15/27	2,265	2,376
TreeHouse Foods Inc.	4.000%	9/1/28	2,070	2,055	Sunoco LP / Sunoco Finance Corp.	5.875%	3/15/28	725	770
¹ United Natural Foods Inc.	6.750%	10/15/28	695	747	¹ Sunoco LP / Sunoco Finance Corp.	4.500%	5/15/29	805	822
				32,003	¹ Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	5.500%	9/15/24	1,152	1,171
Energy (8.1%)					¹ Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp.	5.500%	1/15/28	1,845	1,874
Apache Corp.	4.875%	11/15/27	1,560	1,691	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	5.375%	2/1/27	160	167
Apache Corp.	5.100%	9/1/40	1,065	1,118	Targa Resources Partners LP / Targa Resources Partners Finance Corp.	6.875%	1/15/29	1,200	1,351
Apache Corp.	5.250%	2/1/42	471	499	^{1,9} Transocean Guardian Ltd.	5.875%	1/15/24	1,281	1,247
Apache Corp.	4.750%	4/15/43	1,393	1,448	^{1,9} Transocean Phoenix 2 Ltd.	7.750%	10/15/24	561	581
Apache Corp.	4.250%	1/15/44	678	666	^{1,9} Transocean Pontus Ltd.	6.125%	8/1/25	1,041	1,051
Apache Corp.	5.350%	7/1/49	1,372	1,447	^{1,9} Transocean Proteus Ltd.	6.250%	12/1/24	657	664
¹ Blue Racer Midstream LLC / Blue Racer Finance Corp.	7.625%	12/15/25	435	471	Western Midstream Operating LP	4.350%	2/1/25	105	111
¹ Blue Racer Midstream LLC / Blue Racer Finance Corp.	6.625%	7/15/26	775	810	Western Midstream Operating LP	3.950%	6/1/25	430	447
¹ Buckeye Partners LP	4.125%	3/1/25	1,285	1,335	Western Midstream Operating LP	4.650%	7/1/26	1,150	1,233
¹ Buckeye Partners LP	4.500%	3/1/28	1,954	2,003	Western Midstream Operating LP	4.500%	3/1/28	100	107
Cheniere Energy Partners LP	4.500%	10/1/29	1,076	1,157	Western Midstream Operating LP	4.750%	8/15/28	215	234
Continental Resources Inc.	4.375%	1/15/28	1,553	1,717	Western Midstream Operating LP	5.450%	4/1/44	595	641
¹ Continental Resources Inc.	5.750%	1/15/31	960	1,150					
Continental Resources Inc.	4.900%	6/1/44	2,355	2,656					
DCP Midstream Operating LP	4.950%	4/1/22	1,436	1,463					
DCP Midstream Operating LP	3.875%	3/15/23	801	833					
¹ DT Midstream Inc.	4.125%	6/15/29	665	675					
¹ DT Midstream Inc.	4.375%	6/15/31	785	800					
EnLink Midstream Partners LP	5.050%	4/1/45	906	779					
EQM Midstream Partners LP	4.750%	7/15/23	379	396					
EQM Midstream Partners LP	4.000%	8/1/24	420	431					
¹ EQM Midstream Partners LP	6.000%	7/1/25	1,580	1,718					
¹ EQM Midstream Partners LP	6.500%	7/1/27	1,710	1,906					
EQM Midstream Partners LP	5.500%	7/15/28	466	503					

High Yield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Western Midstream Operating LP	5.300%	3/1/48	1,492	1,584	1	Bausch Health Cos. Inc.	9.000%	12/15/25	815	874
Western Midstream Operating LP	6.500%	2/1/50	1,804	2,092	1	Bausch Health Cos. Inc.	9.250%	4/1/26	520	565
				62,984	1	Bausch Health Cos. Inc.	8.500%	1/31/27	1,150	1,250
Financials (9.1%)					1	Bausch Health Cos. Inc.	7.000%	1/15/28	540	558
1 Acrisure LLC / Acrisure Finance Inc.	4.250%	2/15/29	3,375	3,331	1	Bausch Health Cos. Inc.	5.000%	1/30/28	1,295	1,231
1 AerCap Global Aviation Trust	6.500%	6/15/45	3,950	4,224	1	Bausch Health Cos. Inc.	4.875%	6/1/28	925	946
AerCap Ireland Capital DAC / AerCap Global Aviation Trust	4.500%	9/15/23	1,045	1,121	1	Bausch Health Cos. Inc.	7.250%	5/30/29	60	61
Aircastle Ltd.	5.000%	4/1/23	465	497	1	Bausch Health Cos. Inc.	5.250%	1/30/30	2,120	1,978
Aircastle Ltd.	4.125%	5/1/24	2,110	2,253	1,2	CAB SELAS	3.375%	2/1/28	621	733
5,6 Asurion LLC Bank Loan, 1M USD LIBOR + 3.000%	3.104%	10/31/23	3,017	2,984	1	Catalent Pharma Solutions Inc.	5.000%	7/15/27	630	659
1 Avolon Holdings Funding Ltd.	5.250%	5/15/24	1,630	1,792	1,2	Catalent Pharma Solutions Inc.	2.375%	3/1/28	1,310	1,557
1 BNP Paribas SA	6.750%	12/29/49	2,205	2,283	2	Catalent Pharma Solutions Inc.	2.375%	3/1/28	750	892
1 Compass Group Diversified Holdings LLC	5.250%	4/15/29	470	489	1	Catalent Pharma Solutions Inc.	3.125%	2/15/29	185	179
1 Credit Suisse Group AG	6.250%	12/29/49	5,880	6,445	1	Centene Corp.	4.250%	12/15/27	2,080	2,194
1 DAE Funding LLC	5.250%	11/15/21	705	714	1	Centene Corp.	4.625%	12/15/29	735	809
1 DAE Funding LLC	4.500%	8/1/22	1,264	1,268	1	Centene Corp.	3.375%	2/15/30	810	847
1 DAE Funding LLC	5.000%	8/1/24	1,020	1,046	1	Centene Corp.	3.000%	10/15/30	590	606
1 Enact Holdings Inc.	6.500%	8/15/25	2,190	2,413	1	Charles River Laboratories International Inc.	4.250%	5/1/28	1,550	1,605
1 Fly Leasing Ltd.	5.250%	10/15/24	800	810	1	Charles River Laboratories International Inc.	3.750%	3/15/29	640	648
1 Freedom Mortgage Corp.	8.125%	11/15/24	296	306	1	Charles River Laboratories International Inc.	4.000%	3/15/31	570	592
1 Freedom Mortgage Corp.	8.250%	4/15/25	1,250	1,305	1	CHS/Community Health Systems Inc.	6.625%	2/15/25	975	1,030
1 Freedom Mortgage Corp.	7.625%	5/1/26	88	91	1	CHS/Community Health Systems Inc.	5.625%	3/15/27	1,315	1,403
1 Genworth Holdings Inc.	7.625%	9/24/21	760	772	1	CHS/Community Health Systems Inc.	6.000%	1/15/29	770	824
1 Genworth Holdings Inc.	4.900%	8/15/23	1,475	1,479	1,2	Grifols SA	1.625%	2/15/25	810	968
1 Genworth Holdings Inc.	4.800%	2/15/24	475	472	1,2	Grifols SA	2.250%	11/15/27	1,325	1,596
1 goeasy Ltd.	4.375%	5/1/26	1,371	1,409	1	HCA Inc.	7.690%	6/15/25	130	158
1 Home Point Capital Inc.	5.000%	2/1/26	300	280	1	HCA Inc.	5.875%	2/15/26	2,895	3,350
1 ING Groep NV	6.875%	12/29/49	2,805	2,920	1	HCA Inc.	5.625%	9/1/28	390	463
1 Intesa Sanpaolo SPA	5.017%	6/26/24	900	978	1	HCA Inc.	5.875%	2/1/29	450	544
1 Intesa Sanpaolo SPA	5.710%	1/15/26	3,880	4,360	1	HCA Inc.	3.500%	9/1/30	5,575	5,936
1 LD Holdings Group LLC	6.500%	11/1/25	430	440	1	Hill-Rom Holdings Inc.	4.375%	9/15/27	310	323
1 LD Holdings Group LLC	6.125%	4/1/28	225	225	1	Hologic Inc.	3.250%	2/15/29	1,665	1,656
1 MGIC Investment Corp.	5.750%	8/15/23	685	740	5,6,7,8	Icon Luxembourg Sarl, 1M USD LIBOR + 2.500%	—%	6/16/28	608	610
1 MGIC Investment Corp.	5.250%	8/15/28	885	938	5,6,7,8	Indigo Merger Sub Inc., 1M USD LIBOR + 2.500%	—%	6/16/28	152	152
1 Nationstar Mortgage Holdings Inc.	5.125%	12/15/30	3,518	3,509	1	IQVIA Inc.	5.000%	5/15/27	4,093	4,286
1 Navient Corp.	6.500%	6/15/22	1,790	1,866	1,2	IQVIA Inc.	2.250%	1/15/28	1,200	1,430
1 Navient Corp.	5.500%	1/25/23	2,135	2,251	1,2	IQVIA Inc.	2.875%	6/15/28	1,405	1,716
1 Navient Corp.	7.250%	9/25/23	310	344	1	Jaguar Holding Co. II / Pharmaceutical Product Development LP	4.625%	6/15/25	395	415
1 Navient Corp.	6.750%	6/15/26	40	45	1	Jaguar Holding Co. II / Pharmaceutical Product Development LP	5.000%	6/15/28	435	471
1 OneMain Finance Corp.	8.250%	10/1/23	380	430	1	Jazz Securities DAC	4.375%	1/15/29	485	503
1 OneMain Finance Corp.	6.125%	3/15/24	755	813	1	Organon Finance 1 LLC	4.125%	4/30/28	2,075	2,117
1 OneMain Finance Corp.	7.125%	3/15/26	2,536	2,955	1	Organon Finance 1 LLC	5.125%	4/30/31	1,045	1,076
1 OneMain Finance Corp.	3.500%	1/15/27	545	550	1	Par Pharmaceutical Inc.	7.500%	4/1/27	767	784
1 OneMain Finance Corp.	4.000%	9/15/30	1,500	1,487	1	Teleflex Inc.	4.250%	6/1/28	1,991	2,076
1 Park Aerospace Holdings Ltd.	5.500%	2/15/24	600	660	1	Tenet Healthcare Corp.	4.625%	7/15/24	279	283
1 PennyMac Financial Services Inc.	5.375%	10/15/25	1,745	1,837	1	Tenet Healthcare Corp.	4.625%	9/1/24	315	323
1 PennyMac Financial Services Inc.	4.250%	2/15/29	2,700	2,601	1	Tenet Healthcare Corp.	7.500%	4/1/25	305	329
1 Radian Group Inc.	4.500%	10/1/24	2,485	2,662	1	Tenet Healthcare Corp.	4.875%	1/1/26	270	280
1 Radian Group Inc.	6.625%	3/15/25	300	339	1	Tenet Healthcare Corp.	4.625%	6/15/28	870	895
1 Radian Group Inc.	4.875%	3/15/27	300	326	1	Teva Pharmaceutical Finance Netherlands III BV	3.150%	10/1/26	2,890	2,749
				71,060						
Health Care (9.6%)										
1 Acadia Healthcare Co. Inc.	5.500%	7/1/28	480	514						
1 Acadia Healthcare Co. Inc.	5.000%	4/15/29	350	367						
1,2 Avantor Funding Inc.	2.625%	11/1/25	2,316	2,809						
1 Avantor Funding Inc.	4.625%	7/15/28	3,035	3,203						
1 Bausch Health Cos. Inc.	6.125%	4/15/25	4,856	4,976						
1 Bausch Health Cos. Inc.	5.500%	11/1/25	2,140	2,196						

High Yield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
					1					
Teva Pharmaceutical Finance Netherlands III BV	6.750%	3/1/28	2,000	2,190		Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	700	714
					1	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	3,655	3,732
				74,623		Ball Corp.	4.875%	3/15/26	1,100	1,226
Industrials (6.1%)					2	Ball Corp.	1.500%	3/15/27	920	1,105
1 Aramark Services Inc.	5.000%	4/1/25	1,935	1,984	1	Berry Global Inc.	4.500%	2/15/26	983	1,005
1 Aramark Services Inc.	5.000%	2/1/28	980	1,025	1	Berry Global Inc.	4.875%	7/15/26	2,120	2,243
1 Ashtead Capital Inc.	4.125%	8/15/25	1,325	1,357	1	Berry Global Inc.	5.625%	7/15/27	215	227
1 Ashtead Capital Inc.	4.375%	8/15/27	1,545	1,620	1	Cemex SAB de CV	7.375%	6/5/27	565	637
1 Brand Industrial Services Inc.	8.500%	7/15/25	3,262	3,326	1	Cemex SAB de CV	5.450%	11/19/29	590	650
5,6,7 Brown Group Holding LLC Bank Loan, 3M USD LIBOR + 2.750%	3.250%	6/7/28	3,210	3,194	1	Cemex SAB de CV	3.875%	7/11/31	1,285	1,303
1 BWX Technologies Inc.	4.125%	6/30/28	1,008	1,027	1,2	CeramTec BondCo GmbH	5.250%	12/15/25	425	510
1 BWX Technologies Inc.	4.125%	4/15/29	1,315	1,338	1	CF Industries Inc.	5.375%	3/15/44	596	738
1 Clean Harbors Inc.	4.875%	7/15/27	1,414	1,484	1	Chemours Co.	7.000%	5/15/25	3,115	3,213
1 Clean Harbors Inc.	5.125%	7/15/29	768	835	1	Commercial Metals Co.	5.375%	7/15/27	595	631
1 Core & Main LP	6.125%	8/15/25	160	163	1	Commercial Metals Co.	3.875%	2/15/31	145	146
5,6 Core & Main LP Bank Loan, 3M USD LIBOR + 2.750%	3.750%	11/30/23	260	260	1	Constellium SE	5.875%	2/15/26	1,025	1,055
1 Hawaiian Brand Intellectual Property Ltd. / HawaiianMiles Loyalty Ltd.	5.750%	1/20/26	500	537	1	Constellium SE	5.625%	6/15/28	500	537
1 Herc Holdings Inc.	5.500%	7/15/27	5,966	6,291	1	Constellium SE	3.750%	4/15/29	1,105	1,095
1,2 Loxam SAS	4.250%	4/15/24	190	227		Crown Americas LLC / Crown Americas Capital Corp. IV	4.500%	1/15/23	300	315
2 Loxam SAS	2.875%	4/15/26	655	776		Crown Americas LLC / Crown Americas Capital Corp. VI	4.750%	2/1/26	2,715	2,817
2 Loxam SAS	3.750%	7/15/26	750	910	1,2	Crown European Holdings SA	2.875%	2/1/26	1,555	1,960
1 Mueller Water Products Inc.	4.000%	6/15/29	175	180	1,2	Diamond BC BV	5.625%	8/15/25	3,035	3,661
1,2 Q-Park Holding I BV	1.500%	3/1/25	805	919	1	Flex Acquisition Co. Inc.	6.875%	1/15/25	4,000	4,075
1,2 Q-Park Holding I BV	2.000%	3/1/27	1,025	1,156	1	Flex Acquisition Co. Inc.	7.875%	7/15/26	845	880
1 Sensata Technologies BV	4.875%	10/15/23	300	322		Graphic Packaging International LLC	4.125%	8/15/24	1,045	1,121
1 Sensata Technologies BV	5.625%	11/1/24	575	641	1	Graphic Packaging International LLC	4.750%	7/15/27	205	222
1 Sensata Technologies BV	5.000%	10/1/25	1,625	1,810	1	Graphic Packaging International LLC	3.500%	3/15/28	2,765	2,785
1 Sensata Technologies Inc.	4.375%	2/15/30	400	422	1	Graphic Packaging International LLC	3.500%	3/1/29	540	535
1 Sensata Technologies Inc.	3.750%	2/15/31	1,642	1,624	1	Novelis Corp.	5.875%	9/30/26	2,206	2,297
1 Spirit AeroSystems Inc.	5.500%	1/15/25	750	798	1	Novelis Corp.	4.750%	1/30/30	1,889	1,983
1,2 SSANGYONG C&E Co. Ltd.	4.375%	7/15/27	275	340	1	OCI NV	5.250%	11/1/24	3,230	3,326
1 Stericycle Inc.	3.875%	1/15/29	255	256	1	OCI NV	4.625%	10/15/25	655	684
1 TK Elevator U.S. Newco Inc.	5.250%	7/15/27	1,160	1,222	1	OI European Group BV	4.000%	3/15/23	675	696
1 United Airlines Inc.	4.375%	4/15/26	260	269	1	Olin Corp.	5.125%	9/15/27	1,775	1,854
1 United Airlines Inc.	4.625%	4/15/29	295	306	1	Olin Corp.	5.625%	8/1/29	730	804
United Rentals North America Inc.	5.500%	5/15/27	2,125	2,251	1	Olin Corp.	5.000%	2/1/30	1,097	1,170
United Rentals North America Inc.	4.875%	1/15/28	1,794	1,904	1	Owens-Brockway Glass Container Inc.	5.875%	8/15/23	2,140	2,306
United Rentals North America Inc.	5.250%	1/15/30	740	811	1	Owens-Brockway Glass Container Inc.	5.375%	1/15/25	640	685
United Rentals North America Inc.	4.000%	7/15/30	3,430	3,530	1	Owens-Brockway Glass Container Inc.	6.375%	8/15/25	1,245	1,390
United Rentals North America Inc.	3.875%	2/15/31	1,206	1,228	1	Owens-Brockway Glass Container Inc.	6.625%	5/13/27	1,180	1,284
1,2 Verisure Holding AB	3.250%	2/15/27	688	817	1	Sealed Air Corp.	4.000%	12/1/27	424	451
1,2 Verisure Midholding AB	5.250%	2/15/29	221	269	1	Silgan Holdings Inc.	4.750%	3/15/25	84	85
1,2 Vertical Holdco GmbH	6.625%	7/15/28	200	252	1	Silgan Holdings Inc.	2.250%	6/1/28	1,320	1,573
				47,681		Standard Industries Inc.	5.000%	2/15/27	700	726
Materials (10.2%)					1	Standard Industries Inc.	4.750%	1/15/28	1,025	1,073
1 ARD Finance SA	6.500%	6/30/27	955	1,002	1	Standard Industries Inc.	4.375%	7/15/30	2,805	2,892
1 Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc	3.250%	9/1/28	1,190	1,190	1	Standard Industries Inc.	3.375%	1/15/31	3,015	2,885
1 Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.125%	8/15/26	1,490	1,538	5,6	Starfruit Finco B.V. Bank Loan, 1M USD LIBOR + 2.750%	2.843%	10/31/24	609	604
1,4 Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.750%	7/15/27	160	225	2	Trivium Packaging Finance BV	3.750%	8/15/26	1,000	1,202

High Yield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
^{1,2} Trivium Packaging Finance BV	3.750%	8/15/26	180	216	¹ PTC Inc.	4.000%	2/15/28	635	656
¹ Trivium Packaging Finance BV	5.500%	8/15/26	745	782	¹ Qorvo Inc.	3.375%	4/1/31	1,570	1,634
¹ Tronox Inc.	4.625%	3/15/29	2,030	2,053	^{5,6} SS&C European Holdings S.A.R.L. Bank Loan, 1M USD LIBOR + 1.750%	1.854%	11/30/24	478	472
¹ Valvoline Inc.	3.625%	6/15/31	1,040	1,040	¹ SS&C Technologies Inc.	5.500%	9/30/27	4,075	4,322
				79,795	^{5,6} SS&C Technologies Inc. Bank Loan, 1M USD LIBOR + 1.750%	1.854%	11/30/24	629	622
Real Estate (0.7%)					^{5,6} SS&C Technologies Inc. Bank Loan, 1M USD LIBOR + 1.750%	1.854%	11/30/24	666	658
¹ Iron Mountain Inc.	4.875%	9/15/27	595	617	Western Digital Corp.	4.750%	2/15/26	2,554	2,838
¹ Iron Mountain Inc.	4.875%	9/15/29	782	808	Xerox Corp.	4.375%	3/15/23	698	728
MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer Inc.	5.625%	5/1/24	150	163	Xerox Corp.	4.800%	3/1/35	542	545
Service Properties Trust	4.750%	10/1/26	519	512	Xerox Corp.	6.750%	12/15/39	1,995	2,192
¹ VICI Properties LP / VICI Note Co. Inc.	4.250%	12/1/26	1,635	1,699	¹ Xerox Holdings Corp.	5.000%	8/15/25	155	164
¹ VICI Properties LP / VICI Note Co. Inc.	3.750%	2/15/27	458	468	¹ Xerox Holdings Corp.	5.500%	8/15/28	4,435	4,584
¹ VICI Properties LP / VICI Note Co. Inc.	4.625%	12/1/29	820	871					85,616
				5,138	Utilities (1.8%)				
Technology (11.0%)					AmeriGas Partners LP / AmeriGas Finance Corp.	5.625%	5/20/24	1,395	1,527
¹ Black Knight InfoServ LLC	3.625%	9/1/28	2,147	2,139	AmeriGas Partners LP / AmeriGas Finance Corp.	5.500%	5/20/25	620	682
¹ Booz Allen Hamilton Inc.	3.875%	9/1/28	300	306	AmeriGas Partners LP / AmeriGas Finance Corp.	5.875%	8/20/26	1,765	1,976
¹ Booz Allen Hamilton Inc.	4.000%	7/1/29	370	378	AmeriGas Partners LP / AmeriGas Finance Corp.	5.750%	5/20/27	1,385	1,548
¹ BY Crown Parent LLC / BY Bond Finance Inc.	4.250%	1/31/26	1,567	1,641	¹ Clearway Energy Operating LLC	4.750%	3/15/28	571	599
CDK Global Inc.	4.875%	6/1/27	785	832	¹ Clearway Energy Operating LLC	3.750%	2/15/31	2,370	2,350
¹ CDK Global Inc.	5.250%	5/15/29	2,220	2,422	¹ NextEra Energy Operating Partners LP	4.250%	7/15/24	983	1,037
CDW LLC / CDW Finance Corp.	5.500%	12/1/24	112	125	¹ NextEra Energy Operating Partners LP	4.250%	9/15/24	103	109
CDW LLC / CDW Finance Corp.	4.125%	5/1/25	1,340	1,400	¹ NextEra Energy Operating Partners LP	3.875%	10/15/26	3,035	3,207
CDW LLC / CDW Finance Corp.	4.250%	4/1/28	2,745	2,881	¹ NextEra Energy Operating Partners LP	4.500%	9/15/27	700	759
CDW LLC / CDW Finance Corp.	3.250%	2/15/29	1,977	2,000	¹ Suburban Propane Partners LP	5.000%	6/1/31	555	568
¹ Dun & Bradstreet Corp.	6.875%	8/15/26	453	480					14,362
^{5,6} Dun & Bradstreet Corp. Bank Loan, 1M USD LIBOR + 3.325%	3.345%	11/30/25	3,318	3,300	Total Corporate Bonds (Cost \$695,107)				729,428
¹ Entegris Inc.	4.375%	4/15/28	1,905	1,989					
¹ Entegris Inc.	3.625%	5/1/29	575	582					
¹ Gartner Inc.	3.625%	6/15/29	430	437					
¹ Gartner Inc.	3.750%	10/1/30	1,510	1,545					
¹ Imola Merger Corp.	4.750%	5/15/29	7,050	7,251					
Microchip Technology Inc.	4.250%	9/1/25	1,025	1,077					
¹ MSCI Inc.	5.375%	5/15/27	690	735					
¹ MSCI Inc.	4.000%	11/15/29	1,820	1,920					
¹ MSCI Inc.	3.625%	9/1/30	245	251					
¹ Nielsen Finance LLC / Nielsen Finance Co.	4.500%	7/15/29	1,738	1,742					
¹ Nielsen Finance LLC / Nielsen Finance Co.	4.750%	7/15/31	2,050	2,056					
Nokia of America Corp.	6.500%	1/15/28	1,355	1,469					
Nokia of America Corp.	6.450%	3/15/29	2,612	2,954					
Nokia Oyj	4.375%	6/12/27	725	800					
Nokia Oyj	6.625%	5/15/39	3,460	4,509					
NortonLifeLock Inc.	3.950%	6/15/22	345	351					
¹ NortonLifeLock Inc.	5.000%	4/15/25	4,250	4,304					
¹ Open Text Corp.	5.875%	6/1/26	2,180	2,256					
¹ Open Text Corp.	3.875%	2/15/28	3,103	3,153					
¹ Open Text Holdings Inc.	4.125%	2/15/30	3,080	3,139					
^{5,6} Peraton Corp. Bank Loan, 1M USD LIBOR + 3.750%	4.500%	11/30/27	1,541	1,545					
¹ Presidio Holdings Inc.	4.875%	2/1/27	2,577	2,656					
¹ Presidio Holdings Inc.	8.250%	2/1/28	1,130	1,231					
¹ PTC Inc.	3.625%	2/15/25	335	345					

Shares

Common Stocks (0.0%)

Other (0.0%)

^{*,10} Homer City Holdings LLC (Cost \$1,287)

62,633

—

High Yield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Temporary Cash Investments (5.9%)				
Repurchase Agreement (5.9%)				
Bank of America Securities LLC (Dated 6/30/21, Repurchase Value \$46,200,000, collateralized by Federal National Mortgage Association 2.500%, 10/1/50, with a value of \$47,124,000) (Cost \$46,200)	0.050%	7/1/21	46,200	46,200
Total Investments (99.5%) (Cost \$742,594)				775,628
Other Assets and Liabilities—Net (0.5%)				4,061
Net Assets (100%)				779,689

Cost is in \$000.

• See Note A in Notes to Financial Statements.

* Non-income-producing security.

1 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 \$436,138,000, representing 55.9% of net assets.

2 Face amount denominated in euro.

3 Face amount denominated in Canadian dollars.

4 Face amount denominated in British pounds.

5 Security is a senior, secured, high-yield floating-rate loan. These loans are debt obligations issued by public and private companies and are comparable to high-yield bonds from a ratings and leverage perspective. At June 30, 2021, the aggregate value of these securities was \$24,116,000, representing 3.1% 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 Includes securities purchased on a when-issued or delayed-delivery basis for which the portfolio has not taken delivery as of June 30, 2021.

8 Represents an unsettled loan as of June 30, 2021. The coupon rate is not known until the settlement date.

9 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.

10 Security value determined using significant unobservable inputs.

1M—1-month.

3M—3-month.

6M—6-month.

LIBOR—London Interbank Offered Rate.

Derivative Financial Instruments Outstanding as of Period End

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation (\$000)	Unrealized Depreciation (\$000)
		Receive		Deliver			
Toronto-Dominion Bank	7/30/21	USD	2,083	CAD	2,565	14	—
BNP Paribas	7/30/21	USD	32,858	EUR	27,486	246	—
JPMorgan Chase Bank, N.A.	7/30/21	USD	2,290	GBP	1,641	21	—
						281	—

CAD—Canadian dollar.

EUR—euro.

GBP—British pound.

USD—U.S. dollar.

At June 30, 2021, the counterparties had deposited in segregated accounts securities with a value of \$1,046,000 in connection with open forward currency contracts.

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 \$742,594)	775,628
Investment in Vanguard	28
Foreign Currency, at Value (Cost \$6)	6
Receivables for Investment Securities Sold	368
Receivables for Accrued Income	9,705
Receivables for Capital Shares Issued	492
Unrealized Appreciation—Forward Currency Contracts	281
Total Assets	786,508
Liabilities	
Due to Custodian	206
Payables for Investment Securities Purchased	6,350
Payables to Investment Advisor	121
Payables for Capital Shares Redeemed	77
Payables to Vanguard	65
Total Liabilities	6,819
Net Assets	779,689

At June 30, 2021, net assets consisted of:

Paid-in Capital	744,273
Total Distributable Earnings (Loss)	35,416
Net Assets	779,689

Net Assets	
Applicable to 98,174,908 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	779,689
Net Asset Value Per Share	\$7.94

Statement of Operations

	Six Months Ended June 30, 2021
	(\$000)
Investment Income	
Income	
Interest	18,816
Total Income	18,816
Expenses	
Investment Advisory Fees—Note B	245
The Vanguard Group—Note C	
Management and Administrative	773
Marketing and Distribution	26
Custodian Fees	7
Shareholders' Reports	6
Trustees' Fees and Expenses	—
Total Expenses	1,057
Net Investment Income	17,759
Realized Net Gain (Loss)	
Investment Securities Sold	6,928
Forward Currency Contracts	662
Foreign Currencies	10
Realized Net Gain (Loss)	7,600
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	(8,422)
Forward Currency Contracts	523
Foreign Currencies	(15)
Change in Unrealized Appreciation (Depreciation)	(7,914)
Net Increase (Decrease) in Net Assets Resulting from Operations	17,445

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	17,759	35,499
Realized Net Gain (Loss)	7,600	(14,050)
Change in Unrealized Appreciation (Depreciation)	(7,914)	21,715
Net Increase (Decrease) in Net Assets Resulting from Operations	17,445	43,164
Distributions		
Total Distributions	(34,925)	(39,449)
Capital Share Transactions		
Issued	64,108	259,625
Issued in Lieu of Cash Distributions	34,925	39,449
Redeemed	(133,071)	(254,487)
Net Increase (Decrease) from Capital Share Transactions	(34,038)	44,587
Total Increase (Decrease)	(51,518)	48,302
Net Assets		
Beginning of Period	831,207	782,905
End of Period	779,689	831,207

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30,	Year Ended December 31,				
	2021	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$8.12	\$8.19	\$7.53	\$8.13	\$7.99	\$7.59
Investment Operations						
Net Investment Income	.173 ¹	.353 ¹	.410 ¹	.420 ¹	.419 ¹	.397
Net Realized and Unrealized Gain (Loss) on Investments	(.009)	.021	.731	(.636)	.119	.426
Total from Investment Operations	.164	.374	1.141	(.216)	.538	.823
Distributions						
Dividends from Net Investment Income	(.344)	(.444)	(.481)	(.384)	(.398)	(.423)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.344)	(.444)	(.481)	(.384)	(.398)	(.423)
Net Asset Value, End of Period	\$7.94	\$8.12	\$8.19	\$7.53	\$8.13	\$7.99
Total Return	2.13%	5.67%	15.67%	-2.73%	7.00%	11.35%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$780	\$831	\$783	\$704	\$752	\$622
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.26%	0.28%	0.28%
Ratio of Net Investment Income to Average Net Assets	4.38%	4.57%	5.21%	5.39%	5.22%	5.44%
Portfolio Turnover Rate	16%	41%	27%	23%	28%	27%

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

¹ Calculated based on average shares outstanding.

Notes to Financial Statements

The High Yield Bond 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. 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. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value.

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

During the six months ended June 30, 2021, the portfolio's average investment in forward currency contracts represented 5% of net assets, based on the average of the notional amounts at each quarter-end during the period.

4. 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.

5. 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.

6. 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.

7. 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.

8. Other: Interest income 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. For the six months ended June 30, 2021, the investment advisory fee represented an effective annual basic rate of 0.06% of the portfolio's average net assets.

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 \$28,000, representing less than 0.01% of the portfolio's net assets and 0.01% 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.

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				
Corporate Bonds	—	729,428	—	729,428
Common Stocks	—	—	—	—
Temporary Cash Investments	—	46,200	—	46,200
Total	—	775,628	—	775,628
Derivative Financial Instruments				
Assets				
Forward Currency Contracts	—	281	—	281

E. 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	745,291
Gross Unrealized Appreciation	33,778
Gross Unrealized Depreciation	(3,160)
Net Unrealized Appreciation (Depreciation)	30,618

The portfolio's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2020, the portfolio had available capital losses totaling \$19,119,000 that may be carried forward indefinitely to offset future net capital gains. The portfolio will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2021; should the portfolio realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

F. During the six months ended June 30, 2021, the portfolio purchased \$119,717,000 of investment securities and sold \$176,961,000 of investment securities, other than U.S. government securities and temporary cash investments. Purchases and sales of U.S. government securities were \$8,203,000 and \$8,206,000, respectively.

G. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2021	Year Ended December 31, 2020
	Shares (000)	Shares (000)
Issued	8,017	34,269
Issued in Lieu of Cash Distributions	4,518	5,853
Redeemed	(16,768)	(33,293)
Net Increase (Decrease) in Shares Outstanding	(4,233)	6,829

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 42% 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.

H. 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 High Yield Bond Portfolio has renewed the portfolio's investment advisory arrangement with Wellington Management Company LLP (Wellington Management). The board determined that renewing the portfolio's advisory arrangement was in the best interests of the portfolio and its shareholders.

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

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

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

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

Nature, extent, and quality of services

The board reviewed the quality of the portfolio's investment management services over both the short and long term, and took into account the organizational depth and stability of the advisor. The board considered that Wellington Management, founded in 1928, is among the nation's oldest and most respected institutional investment managers. The portfolio manager is supported by a dedicated team of high-yield and bank loan analysts who conduct in-depth credit research on high-yield issuers, seeking to identify those with stable or improving business prospects and attractive yields. Wellington Management focuses on higher-quality bonds, as it believes that these issues offer a more attractive risk/return trade-off over the long term than lower-rated bonds within the high-yield universe. The advisor seeks to maintain credit quality and diversification guidelines in order to minimize the risk of potential defaults. Wellington Management has advised the portfolio since its inception in 1996.

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 realizes economies of scale that are built into the negotiated advisory fee rate without any need for asset-level breakpoints. The advisory fee rate is very low relative to the average rate paid by funds in the portfolio's peer group.

The board 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 High Yield Bond 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.