



Semiannual Report | June 30, 2019

Vanguard Variable Insurance Fund

Mid-Cap Index Portfolio

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

Important information about access to shareholder reports

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

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

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

Contents

| | |
|-------------------------|---|
| Mid-Cap Index Portfolio | 1 |
|-------------------------|---|

Mid-Cap Index Portfolio

About Your Portfolio's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended June 30, 2019

| | Beginning Account Value 12/31/2018 | Ending Account Value 6/30/2019 | Expenses Paid During Period |
|----------------------------------------|------------------------------------------|--------------------------------------|-----------------------------------|
| Mid-Cap Index Portfolio | | | |
| Based on Actual Portfolio Return | \$1,000.00 | \$1,217.77 | \$0.93 |
| Based on Hypothetical 5% Yearly Return | 1,000.00 | 1,023.95 | 0.85 |

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 0.17%. 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).

Sector Diversification

As of June 30, 2019

| | |
|--------------------|------|
| Basic Materials | 3.5% |
| Consumer Goods | 8.9 |
| Consumer Services | 11.4 |
| Financials | 20.5 |
| Health Care | 8.9 |
| Industrials | 19.5 |
| Oil & Gas | 4.7 |
| Technology | 15.8 |
| Telecommunications | 0.5 |
| Utilities | 6.3 |

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

Financial Statements (unaudited)

Statement of Net Assets

As of June 30, 2019

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

| | Shares | Market Value* (\$000) | | Shares | Market Value* (\$000) | | Shares | Market Value* (\$000) |
|-------------------------------------------|---------|--------------------------|-----------------------------------------------|---------|--------------------------|----------------------------------------------|---------|--------------------------|
| Common Stocks (99.7%)¹ | | | | | | | | |
| Basic Materials (3.5%) | | | * Capri Holdings Ltd. | 33,445 | 1,160 | * Liberty Broadband Corp. Class A | 12,465 | 1,282 |
| Newmont Goldcorp Corp. | 376,926 | 14,518 | * Levi Strauss & Co. Class A | 18,700 | 390 | ^* Lyft Inc. Class A | 19,406 | 1,275 |
| Freeport-McMoRan Inc. | 643,476 | 7,471 | Lennar Corp. Class B | 6,899 | 266 | * TripAdvisor Inc. | 25,124 | 1,163 |
| | | | | | 179,280 | * Qurate Retail Group Inc. QVC Group Class A | 93,544 | 1,159 |
| ^ International Flavors & Fragrances Inc. | 49,667 | 7,206 | Consumer Services (11.3%) | | | Nordstrom Inc. | 25,294 | 806 |
| Celanese Corp. Class A | 59,120 | 6,373 | * Dollar Tree Inc. | 111,086 | 11,930 | * Chewy Inc. | 21,500 | 753 |
| FMC Corp. | 61,442 | 5,097 | Royal Caribbean Cruises Ltd. | 78,082 | 9,464 | ^* Carvana Co. Class A | 10,500 | 657 |
| CF Industries Holdings Inc. | 103,230 | 4,822 | * Chipotle Mexican Grill Inc. Class A | 12,905 | 9,458 | Viacom Inc. Class A | 4,664 | 159 |
| Eastman Chemical Co. | 58,537 | 4,556 | * Ulta Beauty Inc. | 25,815 | 8,955 | News Corp. Class B | 3,475 | 49 |
| Avery Dennison Corp. | 39,317 | 4,548 | Omnicom Group Inc. | 98,468 | 8,069 | | | 228,117 |
| Mosaic Co. | 162,078 | 4,057 | Best Buy Co. Inc. | 106,300 | 7,412 | Financials (20.5%) | | |
| Nucor Corp. | 65,993 | 3,636 | Expedia Group Inc. | 53,970 | 7,180 | * SBA Communications Corp. Class A | 52,701 | 11,849 |
| Albemarle Corp. | 49,201 | 3,464 | Darden Restaurants Inc. | 57,243 | 6,968 | Digital Realty Trust Inc. | 97,088 | 11,436 |
| * Axalta Coating Systems Ltd. | 49,197 | 1,464 | * Liberty Broadband Corp. | 66,776 | 6,959 | * IHS Markit Ltd. | 175,606 | 11,190 |
| Reliance Steel & Aluminum Co. | 14,882 | 1,408 | * Copart Inc. | 90,649 | 6,775 | M&T Bank Corp. | 60,468 | 10,284 |
| Westlake Chemical Corp. | 17,747 | 1,233 | * CarMax Inc. | 77,563 | 6,735 | Realty Income Corp. | 147,305 | 10,160 |
| | | 69,853 | * AutoZone Inc. | 5,765 | 6,338 | Hartford Financial Services Group Inc. | 168,382 | 9,382 |
| Consumer Goods (8.9%) | | | Tractor Supply Co. | 56,150 | 6,109 | MSCI Inc. Class A | 37,467 | 8,947 |
| * Lululemon Athletica Inc. | 51,497 | 9,280 | MGM Resorts International | 213,306 | 6,094 | Essex Property Trust Inc. | 30,593 | 8,931 |
| Clorox Co. | 59,355 | 9,088 | AmerisourceBergen Corp. Class A | 71,134 | 6,065 | KeyCorp | 470,103 | 8,344 |
| McCormick & Co. Inc. | 56,934 | 8,825 | American Airlines Group Inc. | 180,070 | 5,872 | * CBRE Group Inc. Class A | 148,739 | 7,630 |
| Church & Dwight Co. Inc. | 114,510 | 8,366 | * Norwegian Cruise Line Holdings Ltd. | 100,404 | 5,385 | Equifax Inc. | 56,174 | 7,597 |
| DR Horton Inc. | 165,099 | 7,121 | Domino's Pizza Inc. | 19,120 | 5,321 | Citizens Financial Group Inc. | 214,067 | 7,569 |
| Genuine Parts Co. | 64,814 | 6,713 | Wynn Resorts Ltd. | 42,654 | 5,289 | First Republic Bank | 77,440 | 7,562 |
| Lennar Corp. Class A | 133,086 | 6,449 | FactSet Research Systems Inc. | 17,760 | 5,089 | Arthur J Gallagher & Co. | 86,180 | 7,549 |
| Conagra Brands Inc. | 226,157 | 5,998 | Tiffany & Co. | 53,880 | 5,045 | Principal Financial Group Inc. | 130,058 | 7,533 |
| * Take-Two Interactive Software Inc. | 52,356 | 5,944 | Viacom Inc. Class B | 165,172 | 4,934 | Cincinnati Financial Corp. | 72,052 | 7,470 |
| Hasbro Inc. | 55,592 | 5,875 | Advance Auto Parts Inc. | 31,751 | 4,894 | Alexandria Real Estate Equities Inc. | 52,623 | 7,425 |
| JM Smucker Co. | 50,240 | 5,787 | * United Continental Holdings Inc. | 52,464 | 4,593 | Moody's Corp. | 37,570 | 7,338 |
| Tyson Foods Inc. Class A | 68,569 | 5,536 | * Discovery Communications Inc. | 159,916 | 4,550 | HCP Inc. | 223,224 | 7,139 |
| * NVR Inc. | 1,501 | 5,059 | * Live Nation Entertainment Inc. | 64,000 | 4,240 | Regions Financial Corp. | 473,159 | 7,069 |
| ^ Hormel Foods Corp. | 124,523 | 5,048 | Aramark | 115,071 | 4,149 | Huntington Bancshares Inc. | 488,733 | 6,754 |
| Garmin Ltd. | 61,781 | 4,930 | Interpublic Group of Cos. Inc. | 180,810 | 4,085 | * Market Corp. | 6,125 | 6,674 |
| Aptiv plc | 60,187 | 4,865 | * DISH Network Corp. Class A | 102,408 | 3,933 | * Arch Capital Group Ltd. | 178,450 | 6,617 |
| Molson Coors Brewing Co. Class B | 82,422 | 4,616 | * Altice USA Inc. Class A | 160,482 | 3,908 | AvalonBay Communities Inc. | 32,510 | 6,605 |
| Lamb Weston Holdings Inc. | 68,009 | 4,309 | Nielsen Holdings plc | 166,038 | 3,752 | Loews Corp. | 120,692 | 6,598 |
| Tapestry Inc. | 135,504 | 4,300 | Alaska Air Group Inc. | 57,633 | 3,683 | WP Carey Inc. | 79,400 | 6,446 |
| Whirlpool Corp. | 29,595 | 4,213 | Kohl's Corp. | 75,805 | 3,605 | Host Hotels & Resorts Inc. | 345,986 | 6,304 |
| * Wayfair Inc. | 28,400 | 4,146 | News Corp. Class A | 234,221 | 3,160 | Mid-America Apartment Communities Inc. | 53,048 | 6,247 |
| Lear Corp. | 29,160 | 4,061 | Macy's Inc. | 144,270 | 3,096 | Annaly Capital Management Inc. | 677,676 | 6,187 |
| BorgWarner Inc. | 96,109 | 4,035 | L Brands Inc. | 108,644 | 2,836 | KKR & Co. Inc. Class A | 241,292 | 6,097 |
| * Mohawk Industries Inc. | 26,953 | 3,975 | * Liberty Media Corp-Liberty SiriusXM Class C | 74,057 | 2,813 | Lincoln National Corp. | 94,272 | 6,076 |
| Fortune Brands Home & Security Inc. | 64,980 | 3,712 | Rollins Inc. | 76,498 | 2,744 | Extra Space Storage Inc. | 56,523 | 5,997 |
| * LKQ Corp. | 138,792 | 3,693 | Gap Inc. | 132,572 | 2,382 | UDR Inc. | 131,066 | 5,884 |
| PulteGroup Inc. | 116,023 | 3,669 | * Discovery Communications Inc. Class A | 70,104 | 2,152 | Ally Financial Inc. | 184,867 | 5,729 |
| Campbell Soup Co. | 91,376 | 3,661 | Vail Resorts Inc. | 9,300 | 2,076 | * SVB Financial Group | 24,206 | 5,436 |
| Bunge Ltd. | 62,809 | 3,499 | * Liberty Media Corp-Liberty SiriusXM Class A | 37,745 | 1,427 | Cboe Global Markets Inc. | 51,865 | 5,375 |
| PVH Corp. | 35,146 | 3,326 | Hyatt Hotels Corp. Class A | 16,948 | 1,290 | Duke Realty Corp. | 167,244 | 5,287 |
| * WABCO Holdings Inc. | 23,780 | 3,153 | | | | Comerica Inc. | 72,038 | 5,233 |
| Newell Brands Inc. | 176,632 | 2,724 | | | | Regency Centers Corp. | 77,919 | 5,200 |
| Ralph Lauren Corp. Class A | 22,982 | 2,611 | | | | Nasdaq Inc. | 53,961 | 5,189 |
| ^* Under Armour Inc. Class A | 88,015 | 2,231 | | | | Invitation Homes Inc. | 193,953 | 5,184 |
| * Under Armour Inc. Class C | 89,569 | 1,988 | | | | | | |
| Coty Inc. Class A | 140,116 | 1,878 | | | | | | |
| Hanesbrands Inc. | 84,350 | 1,453 | | | | | | |
| Harley-Davidson Inc. | 37,032 | 1,327 | | | | | | |

Mid-Cap Index Portfolio

| | Shares | Market Value* (\$000) | | Shares | Market Value* (\$000) | | Shares | Market Value* (\$000) |
|-------------------------------------------|---------|-----------------------|---------------------------------------------|---------|-----------------------|------------------------------------|---------|-----------------------|
| Vornado Realty Trust | 80,204 | 5,141 | * Exact Sciences Corp. | 30,000 | 3,541 | Robert Half International Inc. | 52,816 | 3,011 |
| E*TRADE Financial Corp. | 113,828 | 5,077 | * Seattle Genetics Inc. | 48,958 | 3,388 | Pentair plc | 80,220 | 2,984 |
| Raymond James Financial Inc. | 59,005 | 4,989 | * DaVita Inc. | 57,859 | 3,255 | * IPG Photonics Corp. | 16,141 | 2,490 |
| Fidelity National Financial Inc. | 121,449 | 4,894 | * Perrigo Co. plc | 56,713 | 2,701 | Jack Henry & Associates Inc. | 18,000 | 2,411 |
| Camden Property Trust | 44,965 | 4,694 | * Nektar Therapeutics Class A | 40,654 | 1,446 | Cognex Corp. | 37,741 | 1,811 |
| Everest Re Group Ltd. | 18,916 | 4,676 | | | 178,478 | FLIR Systems Inc. | 31,791 | 1,720 |
| Reinsurance Group of America Inc. Class A | 29,125 | 4,544 | Industrials (19.4%) | | | HEICO Corp. Class A | 16,000 | 1,654 |
| Federal Realty Investment Trust | 35,006 | 4,507 | * Fiserv Inc. | 182,800 | 16,664 | Flowserve Corp. | 30,375 | 1,600 |
| Franklin Resources Inc. | 129,420 | 4,504 | Amphenol Corp. Class A | 139,212 | 13,356 | AO Smith Corp. | 32,589 | 1,537 |
| Weyerhaeuser Co. | 168,635 | 4,442 | Waste Connections Inc. | 122,661 | 11,724 | * Arrow Electronics Inc. | 19,824 | 1,413 |
| * Alleghany Corp. | 6,347 | 4,323 | Global Payments Inc. | 73,213 | 11,724 | HEICO Corp. | 9,900 | 1,325 |
| AGNC Investment Corp. | 249,590 | 4,198 | Willis Towers Watson plc | 60,190 | 11,529 | Allison Transmission Holdings Inc. | 27,719 | 1,285 |
| Iron Mountain Inc. | 134,000 | 4,194 | * FleetCor Technologies Inc. | 40,139 | 11,273 | ^* XPO Logistics Inc. | 21,451 | 1,240 |
| WR Berkley Corp. | 63,521 | 4,188 | Ball Corp. | 155,632 | 10,893 | ^ ADT Inc. | 26,560 | 162 |
| Torchmark Corp. | 45,942 | 4,110 | * TransDigm Group Inc. | 22,270 | 10,774 | | | 391,530 |
| VEREIT Inc. | 452,466 | 4,077 | Verisk Analytics Inc. Class A | 72,263 | 10,584 | Oil & Gas (4.6%) | | |
| Western Union Co. | 200,191 | 3,982 | Cintas Corp. | 41,436 | 9,832 | ONEOK Inc. | 192,207 | 13,226 |
| Zions Bancorp NA | 85,044 | 3,910 | * Mettler-Toledo International Inc. | 11,559 | 9,709 | Concho Resources Inc. | 93,453 | 9,642 |
| Invesco Ltd. | 188,940 | 3,866 | AMETEK Inc. | 106,376 | 9,663 | Diamondback Energy Inc. | 76,672 | 8,355 |
| Voya Financial Inc. | 67,267 | 3,720 | Total System Services Inc. | 74,158 | 9,512 | Hess Corp. | 127,169 | 8,084 |
| Kimco Realty Corp. | 187,198 | 3,459 | * CoStar Group Inc. | 17,039 | 9,441 | * Cheniere Energy Inc. | 107,817 | 7,380 |
| SEI Investments Co. | 60,537 | 3,396 | L3 Technologies Inc. | 36,893 | 9,045 | Marathon Oil Corp. | 381,737 | 5,425 |
| SL Green Realty Corp. | 39,351 | 3,163 | * Worldpay Inc. Class A | 72,488 | 8,883 | Devon Energy Corp. | 184,000 | 5,248 |
| People's United Financial Inc. | 184,971 | 3,104 | Roper Technologies Inc. | 24,146 | 8,844 | Apache Corp. | 175,325 | 5,079 |
| * Athene Holding Ltd. Class A | 71,928 | 3,097 | Fastenal Co. | 266,670 | 8,691 | Noble Energy Inc. | 223,215 | 5,000 |
| Unum Group | 88,679 | 2,975 | Vulcan Materials Co. | 61,672 | 8,468 | Cabot Oil & Gas Corp. | 197,012 | 4,523 |
| AXA Equitable Holdings Inc. | 136,704 | 2,857 | * Keysight Technologies Inc. | 87,600 | 7,867 | Targa Resources Corp. | 108,498 | 4,260 |
| Jones Lang LaSalle Inc. | 10,751 | 1,513 | Xylem Inc. | 83,986 | 7,025 | National Oilwell Varco Inc. | 179,998 | 4,001 |
| Affiliated Managers Group Inc. | 11,963 | 1,102 | Broadridge Financial Solutions Inc. | 54,202 | 6,920 | OGE Energy Corp. | 93,028 | 3,959 |
| Macerich Co. | 32,909 | 1,102 | * First Data Corp. Class A | 254,322 | 6,884 | HollyFrontier Corp. | 71,283 | 3,299 |
| Jefferies Financial Group Inc. | 54,291 | 1,044 | Dover Corp. | 67,657 | 6,779 | Baker Hughes a GE Co. Class A | 119,452 | 2,942 |
| | | 412,371 | Martin Marietta Materials Inc. | 29,184 | 6,715 | * Continental Resources Inc. | 43,613 | 1,836 |
| Health Care (8.9%) | | | * Waters Corp. | 30,785 | 6,626 | Cimarex Energy Co. | 23,619 | 1,401 |
| * IQVIA Holdings Inc. | 78,126 | 12,570 | TransUnion | 87,456 | 6,429 | | | 93,660 |
| * IDEXX Laboratories Inc. | 40,100 | 11,041 | Expeditors International of Washington Inc. | 80,249 | 6,088 | Technology (15.8%) | | |
| * Centene Corp. | 183,366 | 9,616 | VWV Grainger Inc. | 21,926 | 5,881 | * Red Hat Inc. | 78,570 | 14,752 |
| * Align Technology Inc. | 33,540 | 9,180 | Textron Inc. | 108,247 | 5,741 | Xilinx Inc. | 118,221 | 13,941 |
| ResMed Inc. | 66,769 | 8,148 | Kansas City Southern | 46,957 | 5,720 | * Advanced Micro Devices Inc. | 453,186 | 13,763 |
| * Laboratory Corp. of America Holdings | 46,074 | 7,966 | * Square Inc. | 78,517 | 5,695 | Motorola Solutions Inc. | 76,657 | 12,781 |
| Cooper Cos. Inc. | 22,963 | 7,736 | Masco Corp. | 137,247 | 5,386 | * Twitter Inc. | 340,150 | 11,871 |
| * Incyte Corp. | 85,105 | 7,231 | CH Robinson Worldwide Inc. | 63,557 | 5,361 | Cerner Corp. | 144,022 | 10,557 |
| * BioMarin Pharmaceutical Inc. | 83,628 | 7,163 | Wabtec Corp. | 74,662 | 5,358 | * VeriSign Inc. | 49,954 | 10,448 |
| Teleflex Inc. | 21,523 | 7,127 | Jacobs Engineering Group Inc. | 63,487 | 5,358 | Harris Corp. | 55,172 | 10,435 |
| * WellCare Health Plans Inc. | 23,500 | 6,699 | * Trimble Inc. | 117,026 | 5,279 | * Veeva Systems Inc. Class A | 59,500 | 9,646 |
| Cardinal Health Inc. | 139,200 | 6,556 | Old Dominion Freight Line Inc. | 33,978 | 5,071 | Microchip Technology Inc. | 110,420 | 9,573 |
| Quest Diagnostics Inc. | 62,806 | 6,394 | * United Rentals Inc. | 36,522 | 4,844 | * Cadence Design Systems Inc. | 130,831 | 9,264 |
| Dentsply Sirona Inc. | 108,909 | 6,356 | Westrock Co. | 120,013 | 4,377 | * Synopsys Inc. | 69,721 | 8,972 |
| * DexCom Inc. | 42,400 | 6,353 | Arconic Inc. | 167,619 | 4,328 | KLAA-Tencor Corp. | 75,279 | 8,898 |
| * Hologic Inc. | 125,159 | 6,010 | Snap-on Inc. | 25,892 | 4,289 | * Splunk Inc. | 69,903 | 8,790 |
| * Varian Medical Systems Inc. | 42,428 | 5,776 | Packaging Corp. of America | 44,116 | 4,205 | * Palo Alto Networks Inc. | 42,473 | 8,654 |
| * Elanco Animal Health Inc. | 170,765 | 5,772 | Huntington Ingalls Industries Inc. | 18,469 | 4,151 | * ANSYS Inc. | 39,090 | 8,006 |
| * ABIOMED Inc. | 19,946 | 5,196 | * Crown Holdings Inc. | 62,928 | 3,845 | * IAC/InterActiveCorp | 36,467 | 7,933 |
| * Henry Schein Inc. | 69,492 | 4,858 | JB Hunt Transport Services Inc. | 40,673 | 3,718 | Maxim Integrated Products Inc. | 126,904 | 7,591 |
| Universal Health Services Inc. Class B | 36,742 | 4,791 | * Sensata Technologies Holding plc | 75,366 | 3,693 | CDW Corp. | 67,991 | 7,547 |
| * Mylan NV | 231,735 | 4,412 | Hubbell Inc. Class B | 25,297 | 3,299 | NetApp Inc. | 115,280 | 7,113 |
| * Alnylam Pharmaceuticals Inc. | 49,805 | 3,614 | Xerox Corp. | 88,974 | 3,151 | * Twilio Inc. Class A | 51,901 | 7,077 |
| * Jazz Pharmaceuticals plc | 25,126 | 3,582 | Sealed Air Corp. | 72,683 | 3,109 | Marvell Technology Group Ltd. | 292,467 | 6,981 |
| | | | Alliance Data Systems Corp. | 22,020 | 3,086 | * Arista Networks Inc. | 25,005 | 6,492 |
| | | | | | | * Gartner Inc. | 39,887 | 6,419 |
| | | | | | | Skyworks Solutions Inc. | 80,326 | 6,207 |
| | | | | | | Western Digital Corp. | 129,955 | 6,179 |

Mid-Cap Index Portfolio

| | Shares | Market Value* (\$000) | | Shares | Market Value* (\$000) |
|-------------------------------------------------------|---------|-----------------------|----------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------|
| Symantec Corp. | 273,383 | 5,949 | NRG Energy Inc. | 59,300 | 2,083 |
| * Akamai Technologies Inc. | 72,766 | 5,832 | Avangrid Inc. | 28,345 | 1,431 |
| SS&C Technologies Holdings Inc. | 100,013 | 5,762 | | | 127,694 |
| * GoDaddy Inc. Class A | 82,016 | 5,754 | Total Common Stocks (Cost \$1,598,638) | | 2,007,817 |
| Citrix Systems Inc. | 58,215 | 5,713 | Temporary Cash Investments (0.6%)¹ | | |
| Seagate Technology plc | 116,463 | 5,488 | Money Market Fund (0.6%) | | |
| * Fortinet Inc. | 67,500 | 5,186 | ^{2,3} Vanguard Market Liquidity Fund, 2.499% | 110,427 | 11,045 |
| * Snap Inc. | 321,918 | 4,604 | | Face Amount (\$000) | |
| Juniper Networks Inc. | 160,693 | 4,279 | U.S. Government and Agency Obligations (0.0%) | | |
| * F5 Networks Inc. | 27,836 | 4,054 | ⁴ United States Treasury Bill, 2.349%, 8/15/19 | 200 | 199 |
| * Black Knight Inc. | 66,240 | 3,984 | Total Temporary Cash Investments (Cost \$11,244) | | 11,244 |
| * Qorvo Inc. | 55,582 | 3,702 | Total Investments (100.3%) (Cost \$1,609,882) | | 2,019,061 |
| DXC Technology Co. | 58,231 | 3,212 | | | Amount (\$000) |
| * Okta Inc. | 24,100 | 2,977 | Other Assets and Liabilities (-0.3%) | | |
| * Paycom Software Inc. | 11,500 | 2,607 | Other Assets | | |
| * Dropbox Inc. Class A | 84,833 | 2,125 | Investment in Vanguard | | 92 |
| * Slack Technologies Inc. Class A | 45,578 | 1,709 | Receivables for Investment Securities Sold | | 4,102 |
| [^] Match Group Inc. | 24,955 | 1,679 | Receivables for Accrued Income | | 2,275 |
| CDK Global Inc. | 28,406 | 1,404 | Receivables for Capital Shares Issued | | 668 |
| * Pinterest Inc. Class A | 40,268 | 1,096 | Variation Margin Receivable—Futures Contracts | | 31 |
| * CrowdStrike Holdings Inc. Class A | 8,300 | 567 | Other Assets ⁴ | | 198 |
| | | 317,573 | Total Other Assets | | 7,366 |
| Telecommunications (0.5%) | | | Liabilities | | |
| CenturyLink Inc. | 458,255 | 5,389 | Payables for Investment Securities Purchased | | (1,778) |
| * Zayo Group Holdings Inc. | 93,520 | 3,078 | Collateral for Securities on Loan | | (8,054) |
| [^] * Zoom Video Communications Inc. Class A | 8,942 | 794 | Payables for Capital Shares Redeemed | | (2,563) |
| | | 9,261 | Payables to Vanguard | | (731) |
| Utilities (6.3%) | | | Total Liabilities | | (13,126) |
| WEC Energy Group Inc. | 146,771 | 12,236 | Net Assets (100%) | | |
| Eversource Energy | 149,348 | 11,315 | Applicable to 90,048,583 outstanding \$0.01 par value shares of beneficial interest (unlimited authorization) | | 2,013,301 |
| DTE Energy Co. | 85,349 | 10,914 | Net Asset Value Per Share | | \$22.36 |
| FirstEnergy Corp. | 247,668 | 10,603 | | | |
| American Water Works Co. Inc. | 83,885 | 9,731 | | | |
| Entergy Corp. | 88,532 | 9,113 | | | |
| Ameren Corp. | 114,330 | 8,587 | | | |
| CMS Energy Corp. | 132,286 | 7,661 | | | |
| Eversource Inc. | 117,735 | 7,082 | | | |
| CenterPoint Energy Inc. | 234,273 | 6,707 | | | |
| * PG&E Corp. | 246,372 | 5,647 | | | |
| Alliant Energy Corp. | 110,334 | 5,415 | | | |
| AES Corp. | 308,746 | 5,174 | | | |
| NiSource Inc. | 173,603 | 5,000 | | | |
| Pinnacle West Capital Corp. | 52,195 | 4,911 | | | |
| Vistra Energy Corp. | 180,395 | 4,084 | | | |

At June 30, 2019, net assets consisted of:

| | Amount (\$000) |
|-------------------------------------|------------------|
| Paid-in Capital | 1,543,024 |
| Total Distributable Earnings (Loss) | 470,277 |
| Net Assets | 2,013,301 |

• See Note A in Notes to Financial Statements.

[^] Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$7,869,000.

* Non-income-producing security.

¹ The portfolio invests a portion of its cash reserves in equity markets through the use of index futures contracts. After giving effect to futures investments, the portfolio's effective common stock and temporary cash investment positions represent 100.0% and 0.3%, respectively, of net assets.

² Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

³ Includes \$8,054,000 of collateral received for securities on loan.

⁴ Securities with a value of \$199,000 and cash of \$173,000 have been segregated as initial margin for open futures contracts.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

| | | | | ((\$000)) |
|------------------------------|----------------|----------------------------------|-----------------|--------------------------------------------------|
| | Expiration | Number of Long (Short) Contracts | Notional Amount | Value and Unrealized Appreciation (Depreciation) |
| Long Futures Contracts | | | | |
| E-mini S&P 500 Index | September 2019 | 30 | 4,416 | 36 |
| E-mini S&P Mid-Cap 400 Index | September 2019 | 5 | 975 | 23 |
| | | | | 59 |

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

Statement of Operations

| | Six Months Ended June 30, 2019 (\$000) |
|------------------------------------------------------------------------|----------------------------------------------|
| Investment Income | |
| Income | |
| Dividends | 13,831 |
| Interest ¹ | 58 |
| Securities Lending—Net | 65 |
| Total Income | 13,954 |
| Expenses | |
| The Vanguard Group—Note B | |
| Investment Advisory Services | 224 |
| Management and Administrative | 1,242 |
| Marketing and Distribution | 83 |
| Custodian Fees | 15 |
| Shareholders' Reports | 12 |
| Trustees' Fees and Expenses | — |
| Total Expenses | 1,576 |
| Expenses Paid Indirectly | (8) |
| Net Expenses | 1,568 |
| Net Investment Income | 12,386 |
| Realized Net Gain (Loss) | |
| Investment Securities Sold ¹ | 50,875 |
| Futures Contracts | 678 |
| Realized Net Gain (Loss) | 51,553 |
| Change in Unrealized Appreciation (Depreciation) | |
| Investment Securities ¹ | 288,535 |
| Futures Contracts | 245 |
| Change in Unrealized Appreciation (Depreciation) | 288,780 |
| Net Increase (Decrease) in Net Assets Resulting from Operations | 352,719 |

¹ Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$53,000, \$3,000, and \$1,000, respectively. Purchases and sales are for temporary cash investment purposes.

Statement of Changes in Net Assets

| | Six Months Ended June 30, 2019 (\$000) | Year Ended December 31, 2018 (\$000) |
|------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------|
| Increase (Decrease) in Net Assets | | |
| Operations | | |
| Net Investment Income | 12,386 | 27,241 |
| Realized Net Gain (Loss) | 51,553 | 143,656 |
| Change in Unrealized Appreciation (Depreciation) | 288,780 | (339,835) |
| Net Increase (Decrease) in Net Assets Resulting from Operations | 352,719 | (168,938) |
| Distributions | | |
| Net Investment Income | (27,995) | (21,762) |
| Realized Capital Gain ¹ | (144,308) | (88,481) |
| Total Distributions | (172,303) | (110,243) |
| Capital Share Transactions | | |
| Issued | 167,667 | 255,681 |
| Issued in Lieu of Cash Distributions | 172,303 | 110,243 |
| Redeemed | (128,342) | (269,732) |
| Net Increase (Decrease) from Capital Share Transactions | 211,628 | 96,192 |
| Total Increase (Decrease) | 392,044 | (182,989) |
| Net Assets | | |
| Beginning of Period | 1,621,257 | 1,804,246 |
| End of Period | 2,013,301 | 1,621,257 |

¹ Includes fiscal 2019 and 2018 short-term gain distributions totaling \$4,013,000 and \$3,072,000, respectively. Short-term gain distributions are treated as ordinary income dividends for tax purposes.

Financial Highlights

| For a Share Outstanding Throughout Each Period | Six Months Ended June 30, 2019 | Year Ended December 31, | | | | |
|-----------------------------------------------------------|-----------------------------------------|-------------------------|-------------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net Asset Value, Beginning of Period | \$20.23 | \$23.72 | \$21.11 | \$20.76 | \$22.49 | \$20.77 |
| Investment Operations | | | | | | |
| Net Investment Income | .147 ¹ | .343 ¹ | .292 ¹ | .280 | .291 | .266 |
| Net Realized and Unrealized Gain (Loss) on Investments | 4.138 | (2.386) | 3.575 | 1.814 | (.552) | 2.446 |
| Total from Investment Operations | 4.285 | (2.043) | 3.867 | 2.094 | (.261) | 2.712 |
| Distributions | | | | | | |
| Dividends from Net Investment Income | (.350) | (.286) | (.270) | (.292) | (.268) | (.200) |
| Distributions from Realized Capital Gains | (1.805) | (1.161) | (.987) | (1.452) | (1.201) | (.792) |
| Total Distributions | (2.155) | (1.447) | (1.257) | (1.744) | (1.469) | (.992) |
| Net Asset Value, End of Period | \$22.36 | \$20.23 | \$23.72 | \$21.11 | \$20.76 | \$22.49 |
| Total Return | 21.78% | -9.33% | 19.08% | 11.11% | -1.43% | 13.59% |
| Ratios/Supplemental Data | | | | | | |
| Net Assets, End of Period (Millions) | \$2,013 | \$1,621 | \$1,804 | \$1,495 | \$1,363 | \$1,364 |
| Ratio of Total Expenses to Average Net Assets | 0.17% | 0.17% | 0.19% | 0.19% | 0.19% | 0.24% |
| Ratio of Net Investment Income to Average Net Assets | 1.41% | 1.49% | 1.32% | 1.40% | 1.35% | 1.29% |
| Portfolio Turnover Rate | 19% | 21% | 18% | 21% | 23% | 16% |

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

¹ Calculated based on average shares outstanding.

Notes to Financial Statements

The Mid-Cap Index Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value. Investments in Vanguard Market Liquidity Fund are valued at that fund's net asset value. Temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services.

2. **Futures Contracts:** The portfolio uses index futures contracts to a limited extent, with the objectives of maintaining full exposure to the stock market, maintaining liquidity, and minimizing transaction costs. The portfolio may purchase futures contracts to immediately invest incoming cash in the market, or sell futures in response to cash outflows, thereby simulating a fully invested position in the underlying index while maintaining a cash balance for liquidity. The primary risks associated with the use of futures contracts are imperfect correlation between changes in market values of stocks held by the portfolio and the prices of futures contracts, and the possibility of an illiquid market. Counterparty risk involving futures is mitigated because a regulated clearinghouse is the counterparty instead of the clearing broker. To further mitigate counterparty risk, the portfolio trades futures contracts on an exchange, monitors the financial strength of its clearing brokers and clearinghouse, and has entered into clearing agreements with its clearing brokers. The clearinghouse imposes initial margin requirements to secure the portfolio's performance and requires daily settlement of variation margin representing changes in the market value of each contract. Any assets pledged as initial margin for open contracts are noted in the Statement of Net Assets.

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

During the six months ended June 30, 2019, the portfolio's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. **Federal Income Taxes:** The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2015–2018), and for the period ended June 30, 2019, and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

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

5. **Securities Lending:** To earn additional income, the portfolio lends its securities to qualified institutional borrowers. Security loans are subject to termination by the portfolio at any time, and are required to be secured at all times by collateral in an amount at least equal to the market value of securities loaned. Daily market fluctuations could cause the value of loaned securities to be more or less than the value of the collateral received. When this occurs, the collateral is adjusted and settled before the opening of the market on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that,

in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that borrower, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio; however, such actions may be subject to legal proceedings. While collateral mitigates counterparty risk, in the event of a default, the portfolio may experience delays and costs in recovering the securities loaned. The portfolio invests cash collateral received in Vanguard Market Liquidity Fund, and records a liability in the Statement of Net Assets for the return of the collateral, during the period the securities are on loan. Securities lending income represents fees charged to borrowers plus income earned on invested cash collateral, less expenses associated with the loan. During the term of the loan, the portfolio is entitled to all distributions made on or in respect of the loaned securities.

6. Credit Facility: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the portfolio's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The portfolio had no borrowings outstanding at June 30, 2019, or at any time during the period then ended.

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

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the portfolio's liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets. All other costs of operations payable to Vanguard are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2019, the portfolio had contributed to Vanguard capital in the amount of \$92,000, representing 0.00% of the portfolio's net assets and 0.04% of Vanguard's capitalization. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The portfolio's custodian bank has agreed to reduce its fees when the portfolio maintains cash on deposit in the non-interest-bearing custody account. For the six months ended June 30, 2019, custodian fee offset arrangements reduced the portfolio's expenses by \$8,000 (an annual rate of 0.00% of average net assets).

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

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

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

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

The following table summarizes the market value of the portfolio's investments as of June 30, 2019, based on the inputs used to value them:

| Investments | Level 1 (\$000) | Level 2 (\$000) | Level 3 (\$000) |
|---------------------------------------|--------------------|--------------------|--------------------|
| Common Stocks | 2,007,817 | — | — |
| Temporary Cash Investments | 11,045 | 199 | — |
| Futures Contracts—Assets ¹ | 31 | — | — |
| Total | 2,018,893 | 199 | — |

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

E. As of June 30, 2019, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

| | Amount (\$000) |
|--------------------------------------------|-------------------|
| Tax Cost | 1,609,882 |
| Gross Unrealized Appreciation | 524,257 |
| Gross Unrealized Depreciation | (115,019) |
| Net Unrealized Appreciation (Depreciation) | 409,238 |

F. During the six months ended June 30, 2019, the portfolio purchased \$231,332,000 of investment securities and sold \$178,685,000 of investment securities, other than temporary cash investments.

The portfolio purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the six months ended June 30, 2019, such purchases and sales were \$34,179,000 and \$88,554,000, respectively; these amounts are included in the purchases and sales of investment securities noted above.

G. Capital shares issued and redeemed were:

| | Six Months Ended June 30, 2019 | Year Ended December 31, 2018 |
|-----------------------------------------------|-----------------------------------|---------------------------------|
| | Shares (000) | Shares (000) |
| Issued | 7,614 | 11,048 |
| Issued in Lieu of Cash Distributions | 8,135 | 4,812 |
| Redeemed | (5,859) | (11,768) |
| Net Increase (Decrease) in Shares Outstanding | 9,890 | 4,092 |

At June 30, 2019, 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 41% 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, 2019, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

The board of trustees of Vanguard Variable Insurance Fund Mid-Cap Index Portfolio has renewed the portfolio's investment advisory arrangement with The Vanguard Group, Inc. (Vanguard), through its Equity Index Group. The board determined that continuing the portfolio's internalized management structure 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 Vanguard has been managing investments for more than four decades. The Equity Index Group adheres to a sound, disciplined investment management process; the team has considerable experience, stability, and depth.

The board concluded that Vanguard'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 its target 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 expenses were also well below the peer-group average.

The board does not conduct a profitability analysis of Vanguard because of Vanguard's unique structure. Unlike most other mutual fund management companies, Vanguard is owned by the funds it oversees.

The benefit of economies of scale

The board concluded that the portfolio's arrangement with Vanguard ensures that the portfolio will realize economies of scale as it grows, with the cost to shareholders declining as portfolio assets increase.

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

This page intentionally left blank.

This page intentionally left blank.

Connect with Vanguard® > vanguard.com

Fund Information > 800-662-7447

Annuity and Insurance Services > 800-522-5555

Institutional Investor Services > 800-523-1036

Text Telephone for People

Who Are Deaf or Hard of Hearing > 800-749-7273

This material may be used in conjunction with the offering of shares of any Vanguard fund only if preceded or accompanied by the fund's current prospectus.

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

You can review information about your portfolio on the SEC's website, and you can receive copies of this information, for a fee, by sending a request via email addressed to publicinfo@sec.gov.



P.O. Box 2600
Valley Forge, PA 19482-2600