

**Annual Report** | December 31, 2020

# Vanguard Variable Insurance Funds

Diversified Value Portfolio

Contents

Your Portfolio's Performance at a Glance.....1

Advisors' Report .....2

About Your Portfolio's Expenses.....4

Performance Summary .....5

Financial Statements .....7

## Your Portfolio's Performance at a Glance

- For the 12 months ended December 31, 2020, the Diversified Value Portfolio returned 11.78%, well ahead of the 2.80% return of its benchmark, the Russell 1000 Value Index.
- The emergence of COVID-19 in early 2020 turned into a global health crisis, and aggressive attempts to contain it resulted in a sharp downturn in economic activity. Unemployment spiked, and sectors where social distancing isn't possible were hit hard. Stocks initially plummeted as infections surged, but they finished the year significantly higher. The gain was thanks in part to rapid and robust monetary and fiscal action by policymakers and the rollout of COVID-19 vaccines as the year drew to a close.
- Growth stocks outperformed value stocks for the 12 months, while large-capitalization stocks led mid- and small-caps. The broad U.S. stock market, as measured by the CRSP US Total Market Index, returned 20.99%.
- The advisor's holdings in information technology contributed most to relative performance. Consumer discretionary, real estate, communication services, and financials also boosted returns. Materials, consumer staples, and industrials weighed the most on relative performance.
- Please note that the portfolio's returns are different from those in Vanguard Variable Annuity (and other plans that invest in the portfolio), which take into account insurance-related expenses.

### Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2020		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	20.96%	14.82%	15.60%
Russell 2000 Index (Small-caps)	19.96	10.25	13.26
Russell 3000 Index (Broad U.S. market)	20.89	14.49	15.43
FTSE All-World ex US Index (International)	11.22	5.18	9.16
<b>Bonds</b>			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	7.51%	5.34%	4.44%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	5.21	4.64	3.91
FTSE Three-Month U.S. Treasury Bill Index	0.58	1.56	1.16
<b>CPI</b>			
Consumer Price Index	1.36%	1.85%	1.95%

## Advisors' Report

The Diversified Value Portfolio returned 11.78% for the 12 months ended December 31, 2020. It surpassed the 2.80% return of its benchmark, the Russell 1000 Value Index.

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

The advisors, the amount and percentage of the portfolio's assets each manages, and brief descriptions of their investment strategies are presented in the accompanying table. Each advisor has also prepared a discussion of the investment environment that existed during the period and of the effect it had on the portfolio's positioning. These reports were prepared on January 21, 2021.

### **Lazard Asset Management LLC** Portfolio Managers

Andrew Lacey, Deputy Chairman

Ronald Temple, Managing Director

Our U.S. equity select strategy is based on the relationship between valuation and financial productivity. We have identified and empirically validated two sources of alpha, which we focus on exclusively:

- **Compounders:** Our analysis indicates these companies can sustain very high levels of financial productivity for longer than the market expects, and their share price does not reflect this sustainability. We typically invest 60% to 80% of our capital in Compounders.
- **Improvers:** We believe companies can improve returns, but investors often are too optimistic about the probability of success. Our research indicates that companies that improve their returns on capital materially outperform the broad

market. We typically invest 20% to 40% of our capital in them.

Over the past year, a small group of technology companies with strong growth characteristics led broad benchmark (S&P 500 Index) returns. Average company performance was more mixed. During this time, our strategy kept pace with the broad benchmark and outperformed value-based benchmarks substantially.

Results were largely driven by the Compounder component of our portfolio. Our focus on high financial productivity was rewarded during a period of significant uncertainty.

At year-end, the portfolio's weight in Compounders was toward the higher end of the target range of 60% to 80% of capital. We believe this was appropriate amid continued economic uncertainty. That said, we are actively seeking Improvers.

During the 12 months, we took capital from the information technology and communication services sectors as stocks became more richly valued. We added capital to financials, where we found a combination of attractive Compounders and Improvers.

### **Hotchkis & Wiley Capital Management, LLC** Portfolio Managers

George H. Davis, Jr.,  
Chief Executive Officer

Scott McBride, CFA,  
President

In 2020, we witnessed the devastating impact of a worldwide pandemic on the global economy. While the effect was severe, investors perceived it as a transitory event and recognized the stimulative influence of massive monetary and fiscal intervention. These interventions helped propel the S&P 500 Index, which returned 18% for the year. Value investors

were largely left behind, however, as growth stocks soared 38% and value stocks returned a modest 3%.

This represented the largest gap between the Russell 1000 Growth Index and the Russell 1000 Value Index ever observed over a calendar year. If history is any guide, that set the stage for a value comeback. We had a glimpse of what the comeback might look like during the fourth quarter of 2020. Value stocks outperformed, buoyed by the economic ramifications of new COVID-19 vaccines and another round of fiscal stimulus.

In our experience, when a major asset class underperforms for as long as value has, most investors are underallocated to it. Signs of this neglect include incessant rhetoric about the asset class's demise in the financial media, unusually wide valuation gaps, and the fatigue/frustration asset allocators experience when compelled to repeatedly explain why they have invested in such a lagging strategy.

When the economic winds shift, however, we believe the out-of-favor asset class will enjoy a substantial and sustained period of outperformance. Following the tech bubble, for example, value outperformed growth for seven consecutive years by more than 100 percentage points cumulatively. We have learned time and time again that patience is ultimately rewarded for those who stay focused on fundamentals and valuation.

While it outperformed in the most recent quarter, the strategy underperformed the Russell 1000 Value Index over the full calendar year. The value-focused approach that helped during the fourth quarter hurt over the course of the entire 12 months. Stock selection in financials and an overweighted position in energy were the largest detractors, followed by an overweighted exposure to and stock selection in health care. An overweighted position and stock selection in technology were the largest positive contributors.

Stock selection in industrials and an underweighted exposure to real estate also helped. The largest individual detractors to relative performance were Wells Fargo, AIG, NOV Inc., Murphy Oil, and Royal Dutch Shell. The largest positive contributors were Microsoft, FedEx, Oracle, Cummins, and Magna International.

At year-end, the Russell 1000 Value Index traded at a larger-than-normal discount to the Russell 1000 Growth Index, and the portfolio traded at a larger-than-normal-discount to the Russell 1000 Value

Index. In fact, the portfolio's discount neared record levels. It was trading at 8 times normal earnings, more than 10% below its long-term average.

The Russell 1000 Value Index, however, was trading at 16 times normal earnings, which is more than 20% above its long-term average. The portfolio's fourth-quarter outperformance narrowed the gap modestly, but we anticipate considerably more reversion ahead.

Calendar year 2020 was challenging in a myriad of ways. However, we held steady to the principles of value investing. We

worked as a team to ensure existing investments remained prudent and to find new ideas in an ever-changing environment.

Our team remains entirely intact, the firm is healthy, and we are optimistic that our clients will be rewarded by our commitment and effort. It was reassuring to see our time-tested investing style come back into vogue during the most recent quarter, and we are optimistic that this reversion could be powerful and lasting. We look forward to the new year with enthusiasm.

#### Diversified Value Portfolio Investment Advisors

Investment Advisor	Portfolio Assets Managed		Investment Strategy
	%	\$ Million	
Lazard Asset Management LLC	57	542	Employs a relative-value approach that seeks a combination of attractive valuation and high financial productivity. The process is research-driven, relying upon bottom-up stock analysis performed by the firm's global sector analysts.
Hotchkis and Wiley Capital Management, LLC	41	387	Uses a disciplined investment approach, focusing on such investment parameters as a company's tangible assets, sustainable cash flow, and potential for improving business performance.
Cash Investments	2	22	These short-term reserves are invested by Vanguard in equity index products to simulate investment in stocks. Each advisor also may maintain a modest cash position.

## 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 December 31, 2020

	Beginning Account Value 6/30/2020	Ending Account Value 12/31/2020	Expenses Paid During Period
Diversified Value Portfolio			
Based on Actual Portfolio Return	\$1,000.00	\$1,264.03	\$1.59
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.73	1.42

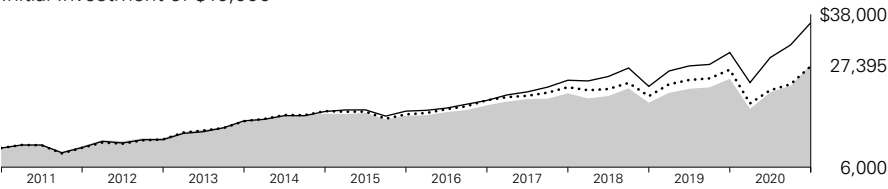
The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.28%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, 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 (184/366).

# Diversified Value Portfolio

## Performance Summary

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

Cumulative Performance: December 31, 2010, Through December 31, 2020  
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended December 31, 2020			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Diversified Value Portfolio	11.78%	10.30%	10.60%	\$ 27,395
Russell 1000 Value Index	2.80	9.74	10.50	27,148
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.79	15.36	13.74	36,240

## Portfolio Allocation

As of December 31, 2020

Communication Services	9.1 %
Consumer Discretionary	10.6
Consumer Staples	5.2
Energy	5.9
Financials	21.8
Health Care	14.6
Industrials	9.5
Information Technology	19.8
Materials	1.1
Real Estate	1.2
Utilities	1.2

The table reflects the portfolio's investments, except for short-term investments and derivatives. Sector categories are based on the Global Industry Classification Standard ("GICS"), except for the "Other" category (if applicable), which includes securities that have not been provided a GICS classification as of the effective reporting period.

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



# Financial Statements

## Schedule of Investments

As of December 31, 2020

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](http://www.sec.gov).

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (95.9%)</b>			Citigroup Inc.	320,653	19,772	PACCAR Inc.	17,820	1,538
<b>Communication Services (8.7%)</b>			American International Group Inc.	496,102	18,783	Fluor Corp.	85,250	1,361
* Alphabet Inc. Class A	22,627	39,657	Wells Fargo & Co.	566,633	17,101	* Embraer SA ADR	94,911	646
* Walt Disney Co.	38,382	6,954	American Express Co.	95,145	11,504			<b>86,695</b>
News Corp. Class A	350,244	6,294	Goldman Sachs Group Inc.	36,290	9,570	<b>Information Technology (19.0%)</b>		
Vodafone Group plc ADR	363,849	5,996	JPMorgan Chase & Co.	67,984	8,639	Microsoft Corp.	218,453	48,588
Electronic Arts Inc.	40,116	5,761	Marsh & McLennan Cos. Inc.	67,085	7,849	Apple Inc.	140,046	18,583
* Discovery Inc. Class C	212,279	5,560	PNC Financial Services Group Inc.	51,771	7,714	Visa Inc. Class A	63,941	13,986
Comcast Corp. Class A	104,838	5,493	Citizens Financial Group Inc.	185,961	6,650	Analog Devices Inc.	93,222	13,772
ViacomCBS Inc. Class B	76,923	2,866	Travelers Cos. Inc.	43,782	6,146	Texas Instruments Inc.	73,256	12,023
Omnicom Group Inc.	33,191	2,070	Charles Schwab Corp.	107,640	5,709	Oracle Corp.	126,864	8,207
Interpublic Group of Cos. Inc.	87,112	2,049	Hartford Financial Services Group Inc.	102,600	5,025	Cisco Systems Inc.	182,519	8,168
		<b>82,700</b>	Equitable Holdings Inc.	194,264	4,971	Hewlett Packard Enterprise Co.	591,907	7,014
<b>Consumer Discretionary (10.2%)</b>			Commerce Bancshares Inc.	72,436	4,759	Accenture plc Class A	24,077	6,289
McDonald's Corp.	64,291	13,796	Discover Financial Services	36,677	3,320	Amphenol Corp. Class A	45,887	6,001
Lowe's Cos. Inc.	74,384	11,939	Bank of New York Mellon Corp.	73,534	3,121	Corning Inc.	163,030	5,869
General Motors Co.	257,183	10,709	Morgan Stanley	43,057	2,951	TE Connectivity Ltd.	42,860	5,189
Starbucks Corp.	85,698	9,168	CIT Group Inc.	73,752	2,648	Fidelity National Information Services Inc.	35,838	5,070
Dollar General Corp.	41,885	8,808	Fifth Third Bancorp	64,323	1,773	Telefonaktiebolaget LM Ericsson ADR	411,915	4,922
* Dollar Tree Inc.	79,296	8,567	State Street Corp.	23,210	1,689	* salesforce.com Inc.	20,322	4,522
Magna International Inc.	118,375	8,381			<b>199,355</b>	Applied Materials Inc.	45,231	3,903
Home Depot Inc.	25,570	6,792	<b>Health Care (14.0%)</b>			* Palo Alto Networks Inc.	10,081	3,583
Ross Stores Inc.	46,131	5,665	Johnson & Johnson	153,739	24,195	CDW Corp.	22,149	2,919
* Booking Holdings Inc.	1,600	3,564	Medtronic plc	206,323	24,169	* F5 Networks Inc.	12,300	2,164
Aptiv plc	23,253	3,030	Anthem Inc.	32,981	10,590			<b>180,772</b>
Harley-Davidson Inc.	70,417	2,584	Danaher Corp.	43,740	9,716	<b>Materials (1.0%)</b>		
Goodyear Tire & Rubber Co.	185,508	2,024	Thermo Fisher Scientific Inc.	20,114	9,369	Avery Dennison Corp.	36,325	5,634
* Adient plc	45,837	1,594	Humana Inc.	22,429	9,202	International Paper Co.	86,397	4,296
		<b>96,621</b>	Zoetis Inc.	43,841	7,256			<b>9,930</b>
<b>Consumer Staples (5.0%)</b>			GlaxoSmithKline plc ADR	152,016	5,594	<b>Real Estate (1.2%)</b>		
Coca-Cola Co.	226,726	12,434	* IQVIA Holdings Inc.	29,816	5,342	Prologis Inc.	93,628	9,331
Mondelez International Inc. Class A	186,517	10,906	Laboratory Corp. of America Holdings	23,782	4,841	Host Hotels & Resorts Inc.	124,400	1,820
Procter & Gamble Co.	77,611	10,799	* Boston Scientific Corp.	118,316	4,253			<b>11,151</b>
PepsiCo Inc.	36,342	5,389	UnitedHealth Group Inc.	11,400	3,998	<b>Utilities (1.1%)</b>		
Unilever plc ADR	81,493	4,919	Sanofi ADR	77,664	3,774	PPL Corp.	295,855	8,343
Sysco Corp.	43,261	3,212	* Centene Corp.	49,460	2,969	Southern Co.	36,123	2,219
		<b>47,659</b>	Bristol-Myers Squibb Co.	40,900	2,537			<b>10,562</b>
<b>Energy (5.6%)</b>			Zimmer Biomet Holdings Inc.	16,011	2,467	<b>Total Common Stocks (Cost \$812,849)</b>		
ConocoPhillips	247,954	9,916	* Maravai LifeSciences Holdings Inc. Class A	67,839	1,903			<b>912,346</b>
Hess Corp.	138,612	7,317	* Biogen Inc.	5,488	1,344			
Marathon Oil Corp.	987,887	6,589			<b>133,519</b>			
Royal Dutch Shell plc Class A ADR	148,836	5,230	<b>Industrials (9.1%)</b>					
Apache Corp.	365,653	5,189	Honeywell International Inc.	99,181	21,096			
NOV Inc.	367,215	5,042	General Electric Co.	1,775,122	19,171			
Halliburton Co.	247,779	4,683	Norfolk Southern Corp.	43,101	10,241			
Marathon Petroleum Corp.	87,543	3,621	* CNH Industrial NV	671,434	8,621			
Schlumberger NV	117,600	2,567	Cummins Inc.	30,651	6,961			
Baker Hughes Co. Class A	110,600	2,306	Waste Management Inc.	55,067	6,494			
Murphy Oil Corp.	76,240	922	FedEx Corp.	24,773	6,432			
		<b>53,382</b>	Caterpillar Inc.	22,712	4,134			
<b>Financials (21.0%)</b>								
Bank of America Corp.	882,620	26,752						
Intercontinental Exchange Inc.	198,710	22,909						

## Diversified Value Portfolio

	Shares	Market Value* (\$000)
<b>Temporary Cash Investments (4.6%)</b>		
<b>Money Market Fund (4.6%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 0.111% (Cost \$43,904)	439,037	43,904
<b>Total Investments (100.5%)</b> (Cost \$856,753)		956,250
<b>Other Assets and Liabilities—Net (-0.5%)</b>		(5,010)
<b>Net Assets (100%)</b>		951,240

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

<sup>1</sup> Affiliated money market fund available only to Vanguard funds and certain trusts and accounts managed by Vanguard. Rate shown is the 7-day yield.

ADR—American Depositary Receipt.

## Derivative Financial Instruments Outstanding as of Period End

### Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
E-mini S&P 500 Index	March 2021	157	29,428	741

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

# Statement of Assets and Liabilities

As of December 31, 2020

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$812,849)	912,346
Affiliated Issuers (Cost \$43,904)	43,904
Total Investments in Securities	956,250
Investment in Vanguard	36
Cash	228
Cash Collateral Pledged—Futures Contracts	1,727
Receivables for Investment Securities Sold	87
Receivables for Accrued Income	875
Receivables for Capital Shares Issued	210
Variation Margin Receivable—Futures Contracts	193
<b>Total Assets</b>	<b>959,606</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	1,388
Payables to Investment Advisor	259
Payables for Capital Shares Redeemed	6,636
Payables to Vanguard	83
<b>Total Liabilities</b>	<b>8,366</b>
<b>Net Assets</b>	<b>951,240</b>

At December 31, 2020, net assets consisted of:

Paid-in Capital	823,931
Total Distributable Earnings (Loss)	127,309
<b>Net Assets</b>	<b>951,240</b>

<b>Net Assets</b>	
Applicable to 69,236,136 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	951,240
<b>Net Asset Value Per Share</b>	<b>\$13.74</b>

## Statement of Operations

	Year Ended December 31, 2020
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	16,220
Interest <sup>2</sup>	270
Securities Lending—Net	33
Total Income	16,523
<b>Expenses</b>	
Investment Advisory Fees—Note B	
Basic Fee	974
Performance Adjustment	—
The Vanguard Group—Note C	
Management and Administrative	1,198
Marketing and Distribution	69
Custodian Fees	19
Auditing Fees	32
Shareholders' Reports	13
Trustees' Fees and Expenses	1
Total Expenses	2,306
<b>Net Investment Income</b>	<b>14,217</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2</sup>	12,146
Futures Contracts	3,935
<b>Realized Net Gain (Loss)</b>	<b>16,081</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	61,460
Futures Contracts	448
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>61,908</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>92,206</b>

<sup>1</sup> Dividends are net of foreign withholding taxes of \$70,000.

<sup>2</sup> Interest income, realized net gain (loss), and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$269,000, \$7,000, and \$—, respectively. Purchases and sales are for temporary cash investment purposes.

## Statement of Changes in Net Assets

	Year Ended December 31,	
	2020	2019
	(\$000)	(\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	14,217	22,410
Realized Net Gain (Loss)	16,081	148,015
Change in Unrealized Appreciation (Depreciation)	61,908	43,477
Net Increase (Decrease) in Net Assets Resulting from Operations	92,206	213,902
<b>Distributions<sup>1</sup></b>		
Total Distributions	(170,717)	(83,175)
<b>Capital Share Transactions</b>		
Issued	95,482	72,081
Issued in Lieu of Cash Distributions	170,717	83,175
Redeemed	(210,173)	(199,650)
Net Increase (Decrease) from Capital Share Transactions	56,026	(44,394)
Total Increase (Decrease)	(22,485)	86,333
<b>Net Assets</b>		
<b>Beginning of Period</b>	<b>973,725</b>	<b>887,392</b>
<b>End of Period</b>	<b>951,240</b>	<b>973,725</b>

<sup>1</sup> Certain prior-period numbers have been reclassified to conform with the current-period presentation.

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2020	2019	2018	2017	2016
<b>Net Asset Value, Beginning of Period</b>	<b>\$16.45</b>	<b>\$14.33</b>	<b>\$17.04</b>	<b>\$17.11</b>	<b>\$16.55</b>
<b>Investment Operations</b>					
Net Investment Income	.209 <sup>1</sup>	.364 <sup>1</sup>	.412 <sup>1</sup>	.401 <sup>1</sup>	.496
Net Realized and Unrealized Gain (Loss) on Investments	.133	3.135	(1.872)	1.658	1.468
Total from Investment Operations	.342	3.499	(1.460)	2.059	1.964
<b>Distributions</b>					
Dividends from Net Investment Income	(.409)	(.462)	(.423)	(.491)	(.461)
Distributions from Realized Capital Gains	(2.643)	(.917)	(.827)	(1.638)	(.943)
Total Distributions	(3.052)	(1.379)	(1.250)	(2.129)	(1.404)
<b>Net Asset Value, End of Period</b>	<b>\$13.74</b>	<b>\$16.45</b>	<b>\$14.33</b>	<b>\$17.04</b>	<b>\$17.11</b>
<b>Total Return</b>					
	<b>11.78%</b>	<b>25.70%</b>	<b>-9.12%</b>	<b>13.16%</b>	<b>12.96%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$951	\$974	\$887	\$1,137	\$1,130
Ratio of Total Expenses to Average Net Assets <sup>2</sup>	0.28%	0.24%	0.25%	0.27%	0.27%
Ratio of Net Investment Income to Average Net Assets	1.70%	2.39%	2.58%	2.45%	3.01%
Portfolio Turnover Rate	34%	117%	18%	18%	34%

<sup>1</sup> Calculated based on average shares outstanding.

<sup>2</sup> Includes performance-based investment advisory fee increases (decreases) of 0.00%, (0.03%), (0.03%), (0.03%), and (0.03%).

## Notes to Financial Statements

The Diversified Value 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. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

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

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Equity securities are valued at the latest quoted sales prices or official closing prices taken from the primary market in which each security trades; such securities not traded on the valuation date are valued at the mean of the latest quoted bid and asked prices. 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.

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

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

During the year ended December 31, 2020, the portfolio's average investments in long and short futures contracts represented 3% 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. 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.

4. **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.

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 on the next business day. The portfolio further mitigates its counterparty risk by entering into securities lending transactions only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master securities lending agreements with its counterparties. The master securities lending agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any loans with that

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

6. 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 year ended December 31, 2020, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

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

B. The investment advisory firms Lazard Asset Management LLC and Hotchkis and Wiley Capital Management, LLC, each provide investment advisory services to a portion of the portfolio for a fee calculated at an annual percentage rate of average net assets managed by the advisor. In accordance with the advisory contracts entered into with Lazard Asset Management LLC and Hotchkis and Wiley Capital Management, LLC, beginning January 1, 2021, the investment advisory fees will be subject to quarterly adjustments based on performance relative to the S&P 500 Index and the Russell 1000 Value Index, respectively, since December 31, 2019.

Vanguard manages the cash reserves of the portfolio as described below.

For the year ended December 31, 2020, the aggregate investment advisory fee paid to all advisors represented an effective annual basic rate of 0.12% 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, distribution, and cash management 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 December 31, 2020, the portfolio had contributed to Vanguard capital in the amount of \$36,000, 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.

At December 31, 2020, 100% of the market value of the portfolio's investments and derivatives was determined based on Level 1 inputs.

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

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

	Amount (\$000)
Undistributed Ordinary Income	11,377
Undistributed Long-Term Gains	16,435
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	99,497

The tax character of distributions paid was as follows:

	Year Ended December 31,	
	2020 Amount (\$000)	2019 Amount (\$000)
Ordinary Income*	26,163	29,777
Long-Term Capital Gains	144,554	53,398
Total	170,717	83,175

\* Includes short-term capital gains, if any.

As of December 31, 2020, 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	856,753
Gross Unrealized Appreciation	163,956
Gross Unrealized Depreciation	(64,459)
Net Unrealized Appreciation (Depreciation)	99,497

F. During the year ended December 31, 2020, the portfolio purchased \$271,547,000 of investment securities and sold \$370,811,000 of investment securities, other than temporary cash investments.



## G. Capital shares issued and redeemed were:

	Year Ended December 31,	
	2020 Shares (000)	2019 Shares (000)
Issued	8,217	4,725
Issued in Lieu of Cash Distributions	18,926	5,732
Redeemed	(17,100)	(13,173)
Net Increase (Decrease) in Shares Outstanding	10,043	(2,716)

At December 31, 2020, two shareholders (insurance company separate accounts whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) were each a record or beneficial owner of at least 25% or more of the portfolio's net assets, with a combined ownership of 76%. If any of these shareholders were to redeem their investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs or lead to the realization of taxable gains.

H. Management has determined that no events or transactions occurred subsequent to December 31, 2020, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Variable Insurance Funds and Shareholders of Diversified Value Portfolio

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Diversified Value Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2020 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
February 18, 2021

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

---

**Special 2020 tax information (unaudited) for corporate shareholders only for Diversified Value Portfolio, a portfolio of Vanguard Variable Insurance Funds**

This information for the fiscal year ended December 31, 2020, is included pursuant to provisions of the Internal Revenue Code for corporate shareholders only.

The portfolio distributed \$144,554,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

For corporate shareholders, 100% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

This page intentionally left blank.

This page intentionally left blank.

# The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 211 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. That information, as well as the Vanguard fund count, is as of the date on the cover of this fund report. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at [vanguard.com](http://vanguard.com).

## Interested Trustee<sup>1</sup>

### Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (2019–present) of Vanguard and of each of the investment companies served by Vanguard; chief executive officer (2018–present) of Vanguard; chief executive officer, president, and trustee (2018–present) of each of the investment companies served by Vanguard; president and director (2017–present) of Vanguard; and president (2018–present) of Vanguard Marketing Corporation. Chief investment officer (2013–2017), managing director (2002–2017), head of the Retail Investor Group (2006–2012), and chief information officer (2001–2006) of Vanguard. Chairman of the board (2011–2017) and trustee (2009–2017) of the Children's Hospital of Philadelphia; and trustee (2018–present) and vice chair (2019–present) of The Shipley School.

## Independent Trustees

### Emerson U. Fullwood

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

### Amy Gutmann

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

### F. Joseph Loughrey

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

### Mark Loughridge

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

### Scott C. Malpass

Born in 1962. Trustee since March 2012. Principal occupation(s) during the past five years and other experience: chief investment officer (retired June 2020) and vice president (retired June 2020) of the University of Notre Dame. Assistant professor of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee (retired June 2020). Member of the board of Catholic Investment Services, Inc. (investment advisors) and the board of superintendence of the Institute for the Works of Religion.

### Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: board chair (2020–present), chief executive officer (2011–2020), and president (2010–2019) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of the individual life and disability division of Guardian Life. Member of the board of the American Council of Life Insurers and the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, NewYork-Presbyterian Hospital, Catalyst, and the

Bruce Museum (arts and science). Member of the Advisory Council for the Stanford Graduate School of Business.

### André F. Perold

Born in 1952. Trustee since December 2004. Principal occupation(s) during the past five years and other experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011). Chief investment officer and co-managing partner of HighVista Strategies (private investment firm). Member of the board of advisors and member of the investment committee of the Museum of Fine Arts Boston. Member of the board (2018–present) of RIT Capital Partners (investment firm). Member of the investment committee of Partners Health Care System.

### Sarah Bloom Raskin

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Member of the board of directors (2012–2014) of Neighborhood Reinvestment Corporation. Director (2017–present) of i(x) Investments, LLC; director (2017–present) of Reserve Trust. Rubenstein Fellow (2017–present) of Duke University; trustee (2017–present) of Amherst College, and trustee (2019–present) of the Folger Shakespeare Library.

### Peter F. Volanakis

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

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

## Executive Officers

### John Bendl

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

### Christine M. Buchanan

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

### David Cermak

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

### John Galloway

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard.

Investment stewardship officer (September 2020–present) of each of the investment companies served by Vanguard. Head of Investor Advocacy (February 2020–present) and head of Marketing Strategy and Planning (2017–2020) at Vanguard. Deputy assistant to the President of the United States (2015).

### Thomas J. Higgins

Born in 1957. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Finance director (2019–present), chief financial officer (2008–2019), and treasurer (1998–2008) of each of the investment companies served by Vanguard.

### Peter Mahoney

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

### Anne E. Robinson

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

### Michael Rollings

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

### John E. Schadl

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

## Vanguard Senior Management Team

Joseph Brennan  
Mortimer J. Buckley  
Gregory Davis  
John James  
John T. Marcante  
Chris D. McIsaac

James M. Norris  
Thomas M. Rampulla  
Karin A. Risi  
Anne E. Robinson  
Michael Rollings  
Lauren Valente



**Connect with Vanguard®** > [vanguard.com](https://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](https://vanguard.com/proxyreporting) or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, [www.sec.gov](https://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](https://vanguard.com/proxyreporting) or [www.sec.gov](https://www.sec.gov).

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

You can review information about your fund 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](mailto:publicinfo@sec.gov).

Source for Bloomberg Barclays indexes: Bloomberg Index Services Limited. Copyright 2021, Bloomberg. All rights reserved.

CFA® is a registered trademark owned by CFA Institute.