

Annual Report | December 31, 2022

Vanguard Variable Insurance Funds

Growth Portfolio

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Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your portfolio are spelled out in the prospectus.

Your Portfolio's Performance at a Glance

- Despite some relief in midsummer and late fall, the 12 months ended December 31, 2022, were a volatile, challenging period for financial markets. The Growth Portfolio returned -33.37%, well behind the -29.14% return of its benchmark, the Russell 1000 Growth Index.
- Overall, the economic backdrop deteriorated as inflation soared to multidecade highs, driven by government spending during the pandemic as well as higher energy and food prices in the wake of Russia's invasion of Ukraine. That prompted aggressive tightening by many central banks to bring inflation back in check, which weighed on bond prices and increased fears of recession.
- Returns were negative across all portfolio sectors except energy. Poor selection in information technology, the portfolio's largest sector, detracted most. An underweight allocation to the consumer discretionary sector made it the largest contributor relative to the benchmark.
- For the decade ended December 31, the portfolio's average annual return trailed that of its benchmark by more than 1 percentage point.
- 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 insurance-related expenses into account.

Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2022		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	-19.13%	7.35%	9.13%
Russell 2000 Index (Small-caps)	-20.44	3.10	4.13
Russell 3000 Index (Broad U.S. market)	-19.21	7.07	8.79
FTSE All-World ex US Index (International)	-15.49	0.61	1.28
Bonds			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	-13.07%	-2.67%	0.06%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	-8.53	-0.77	1.25
FTSE Three-Month U.S. Treasury Bill Index	1.50	0.70	1.24
CPI			
Consumer Price Index	6.45%	4.92%	3.78%

Advisor's Report

The Growth Portfolio returned -33.37% for the 12 months ended December 31, 2022. It lagged the -29.14% return of its benchmark, the Russell 1000 Growth Index.

Investment strategy

The portfolio seeks to outperform growth indexes and, over the longer term, the broader market. We employ proprietary fundamental research and a rigorous valuation discipline to invest in large-capitalization companies with attractive growth characteristics. Our investment approach is based on identifying companies that possess a clear competitive advantage that will enable them to sustain above-average growth.

Review of the period

U.S. equities, as measured by the Standard & Poor's 500 Index, returned -18.1% over the period. Growth stocks slightly outperformed value stocks and large caps outpaced small caps, as measured by the Russell indexes.

During 2022, the portfolio underperformed the benchmark, driven by negative stock selection in the information technology, industrials, and financials sectors. By contrast, the approach delivered positive stock selection within the energy sector. Sector allocation, a result of our bottom-up selection process, did not have a meaningful impact on relative performance.

Notable detractors included not owning health care companies AbbVie and Eli Lilly as well as an overweight position to U.S. credit bureau TransUnion. Given the heightened market volatility in 2022, more defensively oriented, lower-beta companies in the Russell 1000 Growth Index outperformed, creating a headwind for the portfolio's relative returns. Large-cap pharmaceutical companies such as AbbVie and Eli Lilly generally do not fit our philosophy and process because they lack durable moats (durable competitive advantages) and sustainable earnings growth. The share price of TransUnion moved lower as a result of disappointing guidance and broader uncertainty in the

macro environment. While credit origination remains a downside risk, we are positive on both the growth in emerging specialized markets where TransUnion continues to gain exposure and on their accelerating international growth. With the stock trading at all-time low multiples, we find the current valuation attractive and continue to hold an overweight position.

Top contributors to relative performance included an underweight allocation to electric vehicle (EV) manufacturer Tesla and overweight positions in Mastercard and Boston Scientific. Our underweight to Tesla was the largest relative contributor to performance because of the stock sell-off related to concerns around shifting competitive dynamics within the EV industry. Mastercard rose as the global payments company reported strong first-quarter earnings results driven by a large recovery in cross-border volume as international travel rebounded to pre-pandemic levels. The share price of Boston Scientific, a U.S.-based medical device manufacturer focused on minimally invasive products, rose following three consecutive quarters where management raised organic growth expectations. Although staffing shortages remain a challenge for hospitals, procedure volumes continue to recover. Results showed broad-based strength across Boston Scientific's portfolio, coming from both diverse growth drivers as well as product catalysts, including atrial fibrillation devices.

From a positioning perspective, the portfolio increased its active exposure to financials and health care and reduced large overweight allocations to information technology and communication services. It also added to its consumer discretionary holdings, partially closing its underweight exposure. At the end of the period, the portfolio was most overweight financials, information technology, and health care relative to the benchmark, most underweight consumer staples, consumer discretionary, and materials.

The Growth Portfolio consists of high-quality, growing companies protected by sustainable barriers to entry and benefiting from long-term secular trends. We continue to believe that powerful structural changes in our economy are moving hundreds of billions of dollars into new business areas such as electronic payments, e-commerce, digital media, life sciences, and cloud computing. By identifying competitively advantaged companies at the forefront of these trends and applying our rigorous valuation discipline, we believe this portfolio should outperform over the long-term. We are excited about the holdings in the portfolio and believe they are well-positioned to outperform across a variety of market environments going forward.

Portfolio Manager:

Andrew J. Shilling, CFA,
Senior Managing Director

Wellington Management Company LLP

January 18, 2023

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, 2022

Growth Portfolio	Beginning Account Value 6/30/2022	Ending Account Value 12/31/2022	Expenses Paid During Period
Based on Actual Portfolio Return	\$1,000.00	\$ 986.90	\$1.65
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.54	1.68

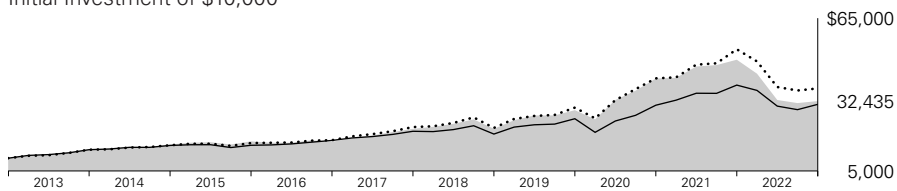
The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.33%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, 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 (184/365).

Growth 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.) 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, 2012, Through December 31, 2022
Initial Investment of \$10,000



Average Annual Total Returns
Periods Ended December 31, 2022

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
— Growth Portfolio	-33.37%	8.55%	12.49%	\$32,435
..... Russell 1000 Growth Index	-29.14	10.96	14.10	37,397
— Dow Jones U.S. Total Stock Market Float Adjusted Index	-19.53	8.65	12.03	31,151

Portfolio Allocation

As of December 31, 2022

Communication Services	7.1 %
Consumer Discretionary	12.0
Consumer Staples	2.4
Energy	1.8
Financials	7.1
Health Care	14.8
Industrials	6.8
Information Technology	46.1
Real Estate	1.9

The table reflects the portfolio's investments, except for short-term investments. 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, 2022

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 (97.2%)								
Communication Services (6.9%)								
* Alphabet Inc. Class C	562,239	49,887	* Illumina Inc.	40,019	8,092	Real Estate (1.8%)		
* ZoomInfo Technologies Inc. Class A	316,264	9,523	* Mettler-Toledo International Inc.	3,841	5,552	American Tower Corp.	53,129	11,256
			* Align Technology Inc.	20,057	4,230	Equinix Inc.	6,347	4,158
		59,410			122,761			15,414
Consumer Discretionary (11.7%)			Industrials (6.6%)			Total Common Stocks (Cost \$897,019)		831,888
* Amazon.com Inc.	445,401	37,414	Equifax Inc.	56,943	11,067	Temporary Cash Investments (2.9%)		
TJX Cos. Inc.	164,440	13,089	* TransUnion	190,614	10,817	Money Market Fund (0.0%)		
* Lululemon Athletica Inc.	32,476	10,405	* Uber Technologies Inc.	360,696	8,920	¹ Vanguard Market Liquidity Fund, 4.334%	12	1
* NIKE Inc. Class B	82,254	9,624	Northrop Grumman Corp.	16,247	8,865			Face Amount (\$000)
Hilton Worldwide Holdings Inc.	73,953	9,345	General Dynamics Corp.	34,335	8,519			
* Etsy Inc.	67,771	8,117	Airbus SE ADR	187,249	5,554			
* Airbnb Inc. Class A	93,072	7,958	IDEX Corp.	12,255	2,798			
* Tesla Inc.	32,562	4,011			56,540	Repurchase Agreement (2.9%)		
		99,963	Information Technology (44.8%)			* Bank of America Securities LLC 4.300%, 1/3/23 (Dated 12/30/22, Repurchase Value \$24,312,000, collateralized by Ginnie Mae 3.500%–4.000%, 4/20/52–6/20/52, with a value of \$24,786,000)	24,300	24,300
Consumer Staples (2.4%)			Microsoft Corp.	388,550	93,182	Total Temporary Cash Investments (Cost \$24,301)		24,301
Constellation Brands Inc. Class A	56,287	13,044	Apple Inc.	630,517	81,923	Total Investments (100.1%) (Cost \$921,320)		856,189
* Estee Lauder Cos. Inc. Class A	29,047	7,207	Mastercard Inc. Class A	127,792	44,437	Other Assets and Liabilities—Net (-0.1%)		(651)
		20,251	Global Payments Inc.	139,771	13,882	Net Assets (100%)		855,538
Energy (1.7%)			* FleetCor Technologies Inc.	73,402	13,482			
Schlumberger Ltd.	271,572	14,518	Visa Inc. Class A	61,524	12,782			
			NVIDIA Corp.	86,822	12,688			
Financials (6.9%)			* Salesforce Inc.	87,080	11,546			
S&P Global Inc.	41,715	13,972	Microchip Technology Inc.	135,637	9,529			
Charles Schwab Corp.	152,536	12,700	* Block Inc. (XNYS)	148,551	9,335			
American Express Co.	77,118	11,394	* MongoDB Inc. Class A	46,805	9,213			
Marsh & McLennan Cos. Inc.	51,036	8,446	* Autodesk Inc.	42,024	7,853			
Progressive Corp.	58,559	7,596	Fidelity National Information Services Inc.	112,138	7,609			
Blackstone Inc.	70,822	5,254	* Ceridian HCM Holding Inc.	117,761	7,554			
		59,362	* ServiceNow Inc.	19,089	7,412			
Health Care (14.4%)			Intuit Inc.	18,045	7,023			
UnitedHealth Group Inc.	51,163	27,126	* Atlassian Corp. Ltd. Class A	43,275	5,569			
* Boston Scientific Corp.	351,088	16,245	Marvell Technology Inc.	148,858	5,514			
Zoetis Inc.	83,955	12,304	* Advanced Micro Devices Inc.	83,474	5,407			
Agilent Technologies Inc.	75,852	11,351	* Okta Inc.	76,191	5,206			
Stryker Corp.	45,167	11,043	ASML Holding NV GDR (Registered)	8,762	4,788			
Danaher Corp.	33,948	9,010	Monolithic Power Systems Inc.	9,081	3,211			
Elevance Health Inc.	17,374	8,912	* nCino Inc.	98,501	2,604			
* Insulet Corp.	30,217	8,896	* Snowflake Inc. Class A	13,376	1,920			
					383,669			

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

Statement of Assets and Liabilities

As of December 31, 2022

(\$000s, except shares, footnotes, and per-share amounts)	Amount
Assets	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$921,319)	856,188
Affiliated Issuers (Cost \$1)	1
Total Investments in Securities	856,189
Investment in Vanguard	33
Cash	12
Receivables for Accrued Income	221
Receivables for Capital Shares Issued	377
Total Assets	856,832
Liabilities	
Payables to Investment Advisor	164
Payables for Capital Shares Redeemed	1,037
Payables to Vanguard	93
Total Liabilities	1,294
Net Assets	855,538

At December 31, 2022, net assets consisted of:

Paid-in Capital	935,294
Total Distributable Earnings (Loss)	(79,756)
Net Assets	855,538

Net Assets	
Applicable to 47,184,685 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	855,538
Net Asset Value Per Share	\$18.13

Statement of Operations

	Year Ended December 31, 2022 (\$000)
Investment Income	
Income	
Dividends ¹	5,412
Interest	666
Securities Lending—Net	6
Total Income	6,084
Expenses	
Investment Advisory Fees—Note B	
Basic Fee	1,499
Performance Adjustment	(615)
The Vanguard Group—Note C	
Management and Administrative	2,375
Marketing and Distribution	58
Custodian Fees	8
Auditing Fees	30
Shareholders' Reports	16
Trustees' Fees and Expenses	—
Other Expenses	9
Total Expenses	3,380
Expenses Paid Indirectly	(2)
Net Expenses	3,378
Net Investment Income	2,706
Realized Net Gain (Loss) on Investment Securities Sold ²	(9,198)
Change in Unrealized Appreciation (Depreciation) of Investment Securities ²	(434,524)
Net Increase (Decrease) in Net Assets Resulting from Operations	(441,016)

¹ Dividends are net of foreign withholding taxes of \$30,000.

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

Statement of Changes in Net Assets

	Year Ended December 31,	
	2022 (\$000)	2021 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	2,706	(462)
Realized Net Gain (Loss)	(9,198)	332,836
Change in Unrealized Appreciation (Depreciation)	(434,524)	(122,268)
Net Increase (Decrease) in Net Assets Resulting from Operations	(441,016)	210,106
Distributions		
Total Distributions	(339,141)	(116,517)
Capital Share Transactions		
Issued	113,930	105,002
Issued in Lieu of Cash Distributions	339,141	116,517
Redeemed	(153,998)	(225,699)
Net Increase (Decrease) from Capital Share Transactions	299,073	(4,180)
Total Increase (Decrease)	(481,084)	89,409
Net Assets		
Beginning of Period	1,336,622	1,247,213
End of Period	855,538	1,336,622

Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2022	2021	2020	2019	2018
Net Asset Value, Beginning of Period	\$38.27	\$35.94	\$26.95	\$22.82	\$23.99
Investment Operations					
Net Investment Income (Loss) ¹	.060	(.013)	.033	.108	.113
Net Realized and Unrealized Gain (Loss) on Investments	(10.288)	5.826	10.536	7.119	.038
Total from Investment Operations	(10.228)	5.813	10.569	7.227	.151
Distributions					
Dividends from Net Investment Income	—	(.013)	(.104)	(.108)	(.080)
Distributions from Realized Capital Gains	(9.912)	(3.470)	(1.475)	(2.989)	(1.241)
Total Distributions	(9.912)	(3.483)	(1.579)	(3.097)	(1.321)
Net Asset Value, End of Period	\$18.13	\$38.27	\$35.94	\$26.95	\$22.82
Total Return	-33.37%	17.86%	43.09%	33.82%	0.20%

Ratios/Supplemental Data

Net Assets, End of Period (Millions)	\$856	\$1,337	\$1,247	\$791	\$598
Ratio of Total Expenses to Average Net Assets ²	0.34% ³	0.41%	0.41% ³	0.40%	0.39%
Ratio of Net Investment Income (Loss) to Average Net Assets	0.27%	(0.04)%	0.11%	0.43%	0.45%
Portfolio Turnover Rate	33%	66%	41%	32%	47%

¹ Calculated based on average shares outstanding.

² Includes performance-based investment advisory fee increases (decreases) of (0.06%), 0.02%, 0.01%, 0.01%, and 0.00%.

³ The ratio of expenses to average net assets for the period net of reduction from broker commission abatement arrangements are 0.34% and 0.40% for 2022 and 2020 respectively.

Notes to Financial Statements

The Growth 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. Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the portfolio's investments and 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 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 valuation designee to represent fair value and subject to oversight by the board of trustees. These procedures include obtaining quotations from an independent pricing service, monitoring news to identify significant market- or security-specific events, and evaluating changes in the values of foreign market proxies (for example, ADRs, futures contracts, or exchange-traded funds), between the time the foreign markets close and the portfolio's pricing time. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate its net asset value may differ from quoted or published prices for the same securities. 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. **Repurchase Agreements:** The portfolio enters into repurchase agreements with institutional counterparties. Securities pledged as collateral to the portfolio under repurchase agreements are held by a custodian bank until the agreements mature, and in the absence of a default, such collateral cannot be repledged, resold, or rehypothecated. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal. The portfolio further mitigates its counterparty risk by entering into repurchase agreements only with a diverse group of prequalified counterparties, monitoring their financial strength, and entering into master repurchase agreements with its counterparties. The master repurchase agreements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate any repurchase agreements with that counterparty, determine the net amount owed, and sell or retain the collateral up to the net amount owed to the portfolio. Such action may be subject to legal proceedings, which may delay or limit the disposition of collateral.

3. **Federal Income Taxes:** The portfolio intends to continue to qualify as a regulated investment company and distribute virtually 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 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 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 \$4.4 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 and are 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, which 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 an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, 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, 2022, 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 income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP, provides investment advisory services to the portfolio for a fee calculated at an annual percentage rate of average net assets managed by the advisor. The basic fee is subject to quarterly adjustments based on performance relative to the Russell 1000 Growth Index for the preceding three years. For the year ended December 31, 2022, the investment advisory fee represented an effective annual basic rate of 0.15% of the portfolio's average net assets, before a net decrease of \$615,000 (0.06%) based on performance.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio corporate management, administrative, marketing, 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, 2022, the portfolio had contributed to Vanguard capital in the amount of \$33,000, 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. The portfolio has asked its investment advisors to direct certain security trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the portfolio part of the commissions generated. Such rebates are used solely to reduce the portfolio's management and administrative expenses. For the year ended December 31, 2022, these arrangements reduced the portfolio's expenses by \$2,000 (an annual rate of less than 0.01% of average net assets).

E. 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 Schedule of Investments.

The following table summarizes the market value of the portfolio's investments as of December 31, 2022, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Common Stocks	831,888	—	—	831,888
Temporary Cash Investments	1	24,300	—	24,301
Total	831,889	24,300	—	856,189

F. 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. 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	2,319
Undistributed Long-Term Gains	—
Capital Loss Carryforwards	(9,965)
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	(72,110)

The tax character of distributions paid was as follows:

	Year Ended December 31,	
	2022 Amount (\$000)	2021 Amount (\$000)
Ordinary Income*	94,486	14,579
Long-Term Capital Gains	244,655	101,938
Total	339,141	116,517

* Includes short-term capital gains, if any.

As of December 31, 2022, gross unrealized appreciation and depreciation for investments based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	928,300
Gross Unrealized Appreciation	104,139
Gross Unrealized Depreciation	(176,249)
Net Unrealized Appreciation (Depreciation)	(72,110)

G. During the year ended December 31, 2022, the portfolio purchased \$327,277,000 of investment securities and sold \$377,268,000 of investment securities, other than temporary cash investments.

The portfolio purchased securities from and sold securities to other funds or accounts managed by its investment advisor or their 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 year ended December 31, 2022, such purchases were \$0 and sales were \$2,243,000, resulting in net realized loss of \$493,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

H. Capital shares issued and redeemed were:

	Year Ended December 31,	
	2022 Shares (000)	2021 Shares (000)
Issued	5,039	2,874
Issued in Lieu of Cash Distributions	13,911	3,575
Redeemed	(6,689)	(6,225)
Net Increase (Decrease) in Shares Outstanding	12,261	224

At December 31, 2022, 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 64% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

I. Management has determined that no events or transactions occurred subsequent to December 31, 2022, 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 Growth Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Growth Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2022, the related statement of operations for the year ended December 31, 2022, the statement of changes in net assets for each of the two years in the period ended December 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2022 (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, 2022, 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, 2022 and the financial highlights for each of the five years in the period ended December 31, 2022 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, 2022 by correspondence with the custodian, transfer agent and brokers; 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 16, 2023

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

Tax information (unaudited)

For corporate shareholders, 100%, or if subsequently determined to be different, the maximum percentage allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction.

The portfolio distributed \$244,655,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

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 206 Vanguard funds.

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

Interested Trustee¹

Mortimer J. Buckley

Born in 1969. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chairman of the board (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. Member of the board of governors of the Investment Company Institute and the board of governors of FINRA. Trustee and vice chair of The Shipley School.

Independent Trustees

Tara Bunch

Born in 1962. Trustee since November 2021. Principal occupation(s) during the past five years and other experience: head of global operations at Airbnb (2020–present). Vice president of AppleCare (2012–2020). Member of the board of directors of Out & Equal (2002–2006), the advisory board of the University of California, Berkeley School of Engineering (2020–present), and the advisory board of Santa Clara University's Leavey School of Business (2018–present).

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. Member of the board of directors of the University of Rochester Medical Center, the Monroe Community College Foundation, the United Way of Rochester, North Carolina A&T University, Roberts Wesleyan College, and the Rochester Philharmonic Orchestra. Trustee of the University of Rochester.

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). Director of the V Foundation. Member of the advisory council for the College of Arts and Letters at the University of Notre Dame. Chairman of the board of Saint Anselm College.

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: adjunct professor of finance at the University of Notre Dame (2020–present). Chief investment officer (retired 2020) and vice president (retired 2020) of the University of Notre Dame. Assistant professor (retired June 2020) of finance at the Mendoza College of Business, University of Notre Dame, and member of the Notre Dame 403(b) Investment Committee. Member of the board of Catholic Investment Services, Inc. (investment advisors), the board of superintendence of the Institute for the Works of Religion, and the board of directors of Paxos Trust Company (finance).

Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer of Purposeful (advisory firm for CEOs and C-level executives; 2021–present). Board chair (2020), 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 Individual Life and Disability of the Guardian Life Insurance Company of America. Member of the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, and the NewYork-Presbyterian Hospital.

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 (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. Colin W. Brown Distinguished Professor of the Practice of Law (2021–present), professor (2020–present), Distinguished Fellow of the Global Financial Markets Center (2020–present), and Rubenstein Fellow (2017–2020) at Duke University. Trustee (2017–present) of Amherst College and member of Amherst College Investment Committee (2019–present). Member of the Regenerative Crisis Response Committee (2020–present).

David A. Thomas

Born in 1956. Trustee since July 2021. Principal occupation(s) during the past five years and other experience: president of Morehouse College (2018–present). Professor of business administration, emeritus at Harvard University (2017–2018). Dean (2011–2016) and professor of management (2016–2017) at the Georgetown University McDonough School of Business. Director of DTE Energy Company (2013–present). Trustee of Common Fund (2019–present).

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). Member of the BMW Group Mobility Council.

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

Executive Officers

Jacqueline Angell

Born in 1974. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief compliance officer (November 2022–present) of Vanguard and of each of the investment companies served by Vanguard. Chief compliance officer (2018–2022) and deputy chief compliance officer (2017–2019) of State Street Corporation.

Christine M. Buchanan

Born in 1970. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Chief financial officer (2021–present) and treasurer (2017–2022) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

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. Special assistant to the President of the United States (2015).

Ashley Grim

Born in 1984. Principal occupation(s) during the past five years and other experience: treasurer (February 2022–present) of each of the investment companies served by Vanguard. Fund transfer agent controller (2019–2022) and director of Audit Services (2017–2019) at Vanguard. Senior manager (2015–2017) at PriceWaterhouseCoopers (audit and assurance, consulting, and tax services).

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. Nonexecutive director of the board of National Grid (energy).

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.

Vanguard Senior Management Team

Matthew Benchener

Joseph Brennan

Mortimer J. Buckley

Gregory Davis

John James

Chris D. McIsaac

Thomas M. Rampulla

Karin A. Risi

Anne E. Robinson

Michael Rollings

Nitin Tandon

Lauren Valente



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

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

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.

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