

Semiannual Report | June 30, 2022

Vanguard Variable Insurance Funds

High Yield Bond Portfolio

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About Your Portfolio's Expenses

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

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

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

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

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

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

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

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

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

Six Months Ended June 30, 2022

High Yield Bond Portfolio	Beginning Account Value 12/31/2021	Ending Account Value 6/30/2022	Expenses Paid During Period
Based on Actual Portfolio Return	\$1,000.00	\$ 872.50	\$1.21
Based on Hypothetical 5% Yearly Return	1,000.00	1,023.51	1.30

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.26%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (181/365).

High Yield Bond Portfolio

Portfolio Allocation

As of June 30, 2022

Communications	18.1%
Consumer Discretionary	16.7
Consumer Staples	3.4
Energy	10.0
Financials	9.3
Health Care	11.0
Industrials	7.2
Materials	9.0
Real Estate	1.3
Technology	12.1
Utilities	1.9

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

Financial Statements (unaudited)

Schedule of Investments

As of June 30, 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.

	Coupon	Maturity Date	Face Amount (\$'000)	Market Value* (\$'000)		Coupon	Maturity Date	Face Amount (\$'000)	Market Value* (\$'000)
Corporate Bonds (89.5%)									
Communications (17.2%)									
^{1,2} Altice France SA	2.125%	2/15/25	585	529	¹ Outfront Media Capital LLC /				
¹ Altice France SA	5.500%	1/15/28	1,700	1,351	Outfront Media Capital Corp.	4.625%	3/15/30	2,297	1,844
¹ Altice France SA	5.125%	7/15/29	565	426	Paramount Global Inc.	6.250%	2/28/57	944	826
¹ Arches Buyer Inc.	4.250%	6/1/28	2,845	2,322	Paramount Global Inc.	6.375%	3/30/62	885	790
¹ Banijay Entertainment SASU	5.375%	3/1/25	200	190	Quebecor Media Inc.	5.750%	1/15/23	2,810	2,814
Belo Corp.	7.750%	6/1/27	920	961	ROBLOX Corp.	3.875%	5/1/30	3,155	2,556
Belo Corp.	7.250%	9/15/27	667	699	¹ Scripps Escrow II Inc.	3.875%	1/15/29	1,835	1,523
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	5.500%	5/1/26	1,368	1,336	¹ Sirius XM Radio Inc.	3.125%	9/1/26	355	317
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	8/15/30	2,530	2,114	¹ Sirius XM Radio Inc.	4.000%	7/15/28	1,090	943
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.250%	2/1/31	2,310	1,897	¹ Sirius XM Radio Inc.	4.125%	7/1/30	1,590	1,328
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	5/1/32	3,161	2,559	¹ Sirius XM Radio Inc.	3.875%	9/1/31	1,375	1,095
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.500%	6/1/33	200	159	Sprint Corp.	8.75%	9/15/23	6,974	7,203
¹ CCO Holdings LLC / CCO Holdings Capital Corp.	4.250%	1/15/34	200	155	Sprint Corp.	7.125%	6/15/24	2,101	2,161
¹ CSC Holdings LLC	5.500%	4/15/27	2,610	2,367	Sprint Corp.	7.625%	2/15/25	1,595	1,665
¹ CSC Holdings LLC	6.500%	2/1/29	1,025	932	Telecom Italia Capital SA	6.375%	11/15/33	336	260
¹ CSC Holdings LLC	4.125%	12/1/30	4,305	3,356	Telecom Italia Capital SA	6.000%	9/30/34	1,085	823
¹ CSC Holdings LLC	4.625%	12/1/30	400	268	Telecom Italia Capital SA	7.721%	6/4/38	935	724
¹ CSC Holdings LLC	3.375%	2/15/31	685	508	¹ Telecom Italia SpA	5.303%	5/30/24	445	428
¹ CSC Holdings LLC	4.500%	11/15/31	3,900	3,011	¹ Telenet Finance Luxembourg Notes Sarl	5.500%	3/1/28	3,200	2,802
¹ CSC Holdings LLC	5.000%	11/15/31	840	564	T-Mobile USA Inc.	5.375%	4/15/27	2,380	2,357
DISH DBS Corp.	5.875%	11/15/24	2,405	2,039	T-Mobile USA Inc.	3.375%	4/15/29	1,310	1,147
DISH DBS Corp.	7.750%	7/1/26	3,000	2,328	¹ UPC Broadband Finco BV	4.875%	7/15/31	2,185	1,779
DISH DBS Corp.	7.375%	7/1/28	3,255	2,214	¹ UPC Holding BV	5.500%	1/15/28	2,250	1,884
Embarq Corp.	7.995%	6/1/36	865	654	¹ Videotron Ltd.	5.375%	6/15/24	260	260
¹ Frontier Communications Holdings LLC	5.875%	10/15/27	810	729	¹ Videotron Ltd.	5.125%	4/15/27	1,750	1,629
¹ Frontier Communications Holdings LLC	5.000%	5/1/28	4,105	3,508	^{1,3} Videotron Ltd.	3.625%	6/15/28	2,565	1,651
¹ Frontier Communications Holdings LLC	6.750%	5/1/29	1,975	1,624	¹ Videotron Ltd.	3.625%	6/15/29	910	751
Frontier Communications Holdings LLC	5.875%	11/1/29	2,780	2,146	¹ Virgin Media Secured Finance plc	4.500%	8/15/30	1,190	985
¹ Frontier Communications Holdings LLC	6.000%	1/15/30	1,290	997	^{1,4} Virgin Media Vendor Financing Notes III DAC	4.875%	7/15/28	1,090	1,060
¹ Go Daddy Operating Co. LLC / GD Finance Co. Inc.	3.500%	3/1/29	3,375	2,847	¹ Virgin Media Vendor Financing Notes IV DAC	5.000%	7/15/28	1,075	897
¹ Iliad Holding SAS	6.500%	10/15/26	755	679	¹ Vmed O2 UK Financing I plc	4.250%	1/31/31	3,140	2,564
¹ Iliad Holding SAS	7.000%	10/15/28	490	428	¹ VZ Secured Financing BV	5.000%	1/15/32	1,505	1,249
Lamar Media Corp.	3.750%	2/15/28	1,770	1,571	^{1,2} WMG Acquisition Corp.	2.750%	7/15/28	520	459
Lamar Media Corp.	4.875%	1/15/29	80	73	¹ WMG Acquisition Corp.	3.875%	7/15/30	1,515	1,267
Lamar Media Corp.	4.000%	2/15/30	1,920	1,626	¹ WMG Acquisition Corp.	3.000%	2/15/31	1,585	1,230
Lamar Media Corp.	3.625%	1/15/31	1,406	1,151	^{1,2} WP/AP Telecom Holdings IV BV	3.750%	1/15/29	1,020	873
^{1,2} Lorca Telecom Bondco SA	4.000%	9/18/27	1,335	1,169	¹ Ziggo BV	4.875%	1/15/30	1,529	1,296
Lumen Technologies Inc.	6.750%	12/1/23	755	750					
Lumen Technologies Inc.	7.500%	4/1/24	557	552					
Netflix Inc.	4.875%	4/15/28	170	161					
¹ Outfront Media Capital LLC / Outfront Media Capital Corp.	6.250%	6/15/25	110	105					
¹ Outfront Media Capital LLC / Outfront Media Capital Corp.	5.000%	8/15/27	689	603					
¹ Outfront Media Capital LLC / Outfront Media Capital Corp.	4.250%	1/15/29	275	219					
									107,317
					Consumer Discretionary (14.3%)				
					¹ 1011778 BC ULC / New Red Finance Inc.	3.875%	1/15/28	1,185	1,031
					¹ 1011778 BC ULC / New Red Finance Inc.	4.375%	1/15/28	1,500	1,325
					¹ 1011778 BC ULC / New Red Finance Inc.	3.500%	2/15/29	500	423
					¹ 1011778 BC ULC / New Red Finance Inc.	4.000%	10/15/30	2,730	2,191
					¹ Adient Global Holdings Ltd.	4.875%	8/15/26	890	781
					¹ American Builders & Contractors Supply Co. Inc.	4.000%	1/15/28	1,576	1,360
					¹ American Builders & Contractors Supply Co. Inc.	3.875%	11/15/29	1,165	927
					Asbury Automotive Group Inc.	4.500%	3/1/28	745	646
					¹ Asbury Automotive Group Inc.	4.625%	11/15/29	645	533
					Asbury Automotive Group Inc.	4.750%	3/1/30	489	402
					¹ Asbury Automotive Group Inc.	5.000%	2/15/32	645	528

HighYield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
¹ Ashton Woods USA LLC / Ashton Woods Finance Co.	4.625%	4/1/30	460	332	¹ NMG Holding Co. Inc. / Neiman Marcus Group LLC	7.125%	4/1/26	460	426
Bath & Body Works Inc.	6.694%	1/15/27	504	467	¹ Petsmart Inc.	4.750%	2/15/28	2,090	1,806
¹ Bath & Body Works Inc.	6.625%	10/1/30	2,130	1,840	¹ Petsmart Inc.	7.750%	2/15/29	675	609
¹ Beacon Roofing Supply Inc.	4.125%	5/15/29	490	402	¹ Royal Caribbean Cruises Ltd.	4.250%	7/1/26	295	209
Boyd Gaming Corp.	4.750%	12/1/27	3,725	3,372	¹ Royal Caribbean Cruises Ltd.	5.500%	8/31/26	2,150	1,580
¹ Boyd Gaming Corp.	4.750%	6/15/31	165	140	¹ Royal Caribbean Cruises Ltd.	5.375%	7/15/27	705	512
¹ Builders Firstsource Inc.	4.250%	2/1/32	1,000	764	¹ Royal Caribbean Cruises Ltd.	5.500%	4/1/28	95	66
¹ Caesars Entertainment Inc.	6.250%	7/1/25	1,810	1,744	¹ Scientific Games International Inc.	7.000%	5/15/28	1,750	1,652
¹ Caesars Entertainment Inc.	8.125%	7/1/27	2,094	2,019	Service Corp. International	4.625%	12/15/27	505	475
¹ Caesars Entertainment Inc.	4.625%	10/15/29	1,200	936	Service Corp. International	5.125%	6/1/29	2,105	1,987
¹ Caesars Resort Collection LLC / CRC Finco Inc.	5.750%	7/1/25	610	585	Service Corp. International	3.375%	8/15/30	650	536
¹ Carnival Corp.	5.750%	3/1/27	381	275	Service Corp. International	4.000%	5/15/31	1,560	1,332
¹ Carnival Corp.	4.000%	8/1/28	2,765	2,268	¹ Speedway Motorsports LLC / Speedway Funding II Inc.	4.875%	11/1/27	950	856
¹ Carnival Corp.	6.000%	5/1/29	2,925	2,048	¹ Taylor Morrison Communities Inc.	5.875%	6/15/27	750	693
¹ Carnival Corp.	10.500%	6/1/30	1,325	1,093	¹ Taylor Morrison Communities Inc.	5.125%	8/1/30	1,075	892
Cedar Fair LP	5.250%	7/15/29	1,775	1,576	Toll Brothers Finance Corp.	4.875%	11/15/25	295	289
Cedar Fair LP / Canada's Wonderland Co. / Magnum Management Corp. / Millennium Op	5.375%	4/15/27	775	735	Under Armour Inc.	3.250%	6/15/26	2,335	2,031
¹ Cinemark USA Inc.	8.750%	5/1/25	125	127	¹ William Carter Co.	5.625%	3/15/27	404	379
¹ Cinemark USA Inc.	5.875%	3/15/26	555	495	¹ WW International Inc.	4.500%	4/15/29	1,435	955
¹ Cinemark USA Inc.	5.250%	7/15/28	1,720	1,381	¹ Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	5.500%	3/1/25	1,615	1,478
^{1,2} Cirsa Finance International Sarl	6.250%	12/20/23	1,240	1,237	¹ Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	5.250%	5/15/27	1,085	929
^{1,2} Cirsa Finance International Sarl	4.500%	3/15/27	470	397	¹ Wynn Macau Ltd.	5.500%	1/15/26	250	175
¹ Clarios Global LP / Clarios US Finance Co.	6.250%	5/15/26	372	359	¹ Wynn Macau Ltd.	5.125%	12/15/29	615	382
¹ Clarios Global LP / Clarios US Finance Co.	8.500%	5/15/27	804	778	¹ Wynn Resorts Finance LLC / Wynn Resorts Capital Corp.	5.125%	10/1/29	78	61
Ford Motor Co.	4.346%	12/8/26	705	652	¹ Yum! Brands Inc.	4.750%	1/15/30	910	827
Ford Motor Co.	3.250%	2/12/32	3,745	2,799	Yum! Brands Inc.	3.625%	3/15/31	1,550	1,312
Ford Motor Co.	4.750%	1/15/43	1,150	820	Yum! Brands Inc.	4.625%	1/31/32	760	671
Ford Motor Co.	5.291%	12/8/46	350	269					89,370
Ford Motor Credit Co. LLC	3.350%	11/1/22	1,175	1,174	Consumer Staples (3.2%)				
Ford Motor Credit Co. LLC	3.087%	1/9/23	900	894	B&G Foods Inc.	5.250%	9/15/27	3,260	2,820
Ford Motor Credit Co. LLC	3.370%	11/17/23	395	385	^{1,2} Darling Global Finance BV	3.625%	5/15/26	395	384
Ford Motor Credit Co. LLC	4.134%	8/4/25	380	354	¹ Darling Ingredients Inc.	5.250%	4/15/27	795	771
Ford Motor Credit Co. LLC	3.375%	11/13/25	470	423	¹ Darling Ingredients Inc.	6.000%	6/15/30	300	299
Ford Motor Credit Co. LLC	4.389%	1/8/26	200	185	¹ Energizer Holdings Inc.	4.750%	6/15/28	3,420	2,720
Ford Motor Credit Co. LLC	2.700%	8/10/26	2,290	1,952	¹ Energizer Holdings Inc.	4.375%	3/31/29	615	472
Ford Motor Credit Co. LLC	4.950%	5/28/27	735	682	¹ Performance Food Group Inc.	6.875%	5/1/25	200	199
⁵ Ford Motor Credit Co. LLC, 3M USD LIBOR + 1.235%	2.646%	2/15/23	255	254	¹ Performance Food Group Inc.	5.500%	10/15/27	2,685	2,488
¹ Gap Inc.	3.625%	10/1/29	1,120	787	¹ Performance Food Group Inc.	4.250%	8/1/29	1,625	1,358
¹ Gap Inc.	3.875%	10/1/31	1,740	1,210	¹ Post Holdings Inc.	5.750%	3/1/27	314	304
Griffon Corp.	5.750%	3/1/28	500	454	¹ Post Holdings Inc.	5.625%	1/15/28	2,170	2,060
¹ Group 1 Automotive Inc.	4.000%	8/15/28	125	106	¹ Post Holdings Inc.	5.500%	12/15/29	535	479
¹ Hanesbrands Inc.	4.625%	5/15/24	730	715	¹ Post Holdings Inc.	4.625%	4/15/30	2,264	1,910
¹ Hanesbrands Inc.	4.875%	5/15/26	2,974	2,757	¹ Post Holdings Inc.	4.500%	9/15/31	2,485	2,040
¹ JELD-WEN Inc.	4.625%	12/15/25	345	292	¹ United Natural Foods Inc.	6.750%	10/15/28	1,044	978
¹ JELD-WEN Inc.	4.875%	12/15/27	390	309	¹ US Foods Inc.	4.625%	6/1/30	813	693
¹ KAR Auction Services Inc.	5.125%	6/1/25	2,069	1,947					19,975
KB Home	7.500%	9/15/22	215	217	Energy (9.4%)				
KB Home	7.625%	5/15/23	476	483	Apache Corp.	4.875%	11/15/27	1,560	1,429
KB Home	4.800%	11/15/29	405	341	Apache Corp.	4.375%	10/15/28	105	95
KB Home	4.000%	6/15/31	1,125	868	Apache Corp.	4.250%	1/15/30	425	379
¹ KFC Holding Co. / Pizza Hut Holdings LLC / Taco Bell of America LLC	4.750%	6/1/27	1,010	971	Apache Corp.	5.100%	9/1/40	1,155	975
¹ Lithia Motors Inc.	4.625%	12/15/27	1,945	1,793	Apache Corp.	5.250%	2/1/42	471	392
¹ Masonite International Corp.	3.500%	2/15/30	325	256	Apache Corp.	4.250%	1/15/44	22	16
¹ Mattel Inc.	3.375%	4/1/26	635	583	Apache Corp.	5.350%	7/1/49	1,372	1,090
¹ Mattel Inc.	5.875%	12/15/27	1,910	1,867	¹ Blue Racer Midstream LLC / Blue Racer Finance Corp.	7.625%	12/15/25	435	415
MGM Resorts International	6.000%	3/15/23	680	679	¹ Blue Racer Midstream LLC / Blue Racer Finance Corp.	6.625%	7/15/26	775	701
MGM Resorts International	5.750%	6/15/25	1,355	1,292	¹ Buckeye Partners LP	4.125%	3/1/25	1,471	1,354
¹ Michaels Cos. Inc.	5.250%	5/1/28	1,075	847	Buckeye Partners LP	3.950%	12/1/26	138	122
¹ Michaels Cos. Inc.	7.875%	5/1/29	1,208	800	Buckeye Partners LP	4.125%	12/1/27	415	353
¹ NCL Corp Ltd.	7.750%	2/15/29	415	316	¹ Buckeye Partners LP	4.500%	3/1/28	2,584	2,186
					Cheniere Energy Partners LP	4.500%	10/1/29	1,076	961
					Continental Resources Inc.	4.375%	1/15/28	1,053	990

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	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
¹ Continental Resources Inc.	5.750%	1/15/31	960	927	Financials (7.5%)				
Continental Resources Inc.	4.900%	6/1/44	2,355	1,853	¹ Acrisure LLC / Acrisure Finance Inc.	4.250%	2/15/29	3,375	2,734
DCP Midstream Operating LP	3.875%	3/15/23	801	794	¹ AerCap Global Aviation Trust	6.500%	6/15/45	3,240	2,980
DCP Midstream Operating LP	5.125%	5/15/29	205	185	Aircastle Ltd.	5.000%	4/1/23	465	465
¹ DT Midstream Inc.	4.125%	6/15/29	2,290	1,947	Aircastle Ltd.	4.125%	5/1/24	2,110	2,052
¹ DT Midstream Inc.	4.375%	6/15/31	3,271	2,734	¹ AmWINS Group Inc.	4.875%	6/30/29	290	239
¹ Earthstone Energy Holdings LLC	8.000%	4/15/27	635	601	¹ Avolon Holdings Funding Ltd.	5.250%	5/15/24	1,630	1,610
¹ EnLink Midstream LLC	5.625%	1/15/28	720	664	¹ Burford Capital Global Finance LLC	6.875%	4/15/30	400	351
EnLink Midstream LLC	5.375%	6/1/29	720	631	¹ Compass Group Diversified Holdings LLC	5.250%	4/15/29	470	389
EnLink Midstream Partners LP	4.150%	6/1/25	750	699	Credit Suisse Group AG	6.250%	12/29/49	4,455	4,055
EnLink Midstream Partners LP	4.850%	7/15/26	636	588	¹ Enact Holdings Inc.	6.500%	8/15/25	2,290	2,162
EnLink Midstream Partners LP	5.050%	4/1/45	906	616	¹ FirstCash Inc.	4.625%	9/1/28	500	432
EnLink Midstream Partners LP	5.450%	6/1/47	663	470	¹ FirstCash Inc.	5.625%	1/1/30	395	346
EQM Midstream Partners LP	4.000%	8/1/24	158	149	¹ Fly Leasing Ltd.	7.000%	10/15/24	800	592
¹ EQM Midstream Partners LP	6.000%	7/1/25	1,580	1,520	¹ Freedom Mortgage Corp.	8.250%	4/15/25	871	736
EQM Midstream Partners LP	4.125%	12/1/26	100	87	¹ goeasy Ltd.	4.375%	5/1/26	1,371	1,159
¹ EQM Midstream Partners LP	7.500%	6/1/27	95	92	¹ Home Point Capital Inc.	5.000%	2/1/26	80	55
¹ EQM Midstream Partners LP	6.500%	7/1/27	1,710	1,591	¹ HUB International Ltd.	5.625%	12/1/29	860	721
EQM Midstream Partners LP	5.500%	7/15/28	641	555	¹ Intesa Sanpaolo SpA	5.017%	6/26/24	900	863
¹ EQM Midstream Partners LP	4.500%	1/15/29	990	804	¹ Intesa Sanpaolo SpA	5.710%	1/15/26	3,185	3,035
¹ EQM Midstream Partners LP	7.500%	6/1/30	100	96	¹ LD Holdings Group LLC	6.500%	11/1/25	375	255
¹ EQM Midstream Partners LP	4.750%	1/15/31	2,175	1,735	¹ LD Holdings Group LLC	6.125%	4/1/28	50	30
EQT Corp.	6.625%	2/1/25	145	149	¹ MGIC Investment Corp.	5.750%	8/15/23	685	702
¹ EQT Corp.	3.625%	5/15/31	392	342	¹ MGIC Investment Corp.	5.250%	8/15/28	885	793
¹ Hess Midstream Operations LP	4.250%	2/15/30	20	17	¹ Nationstar Mortgage Holdings Inc.	5.125%	12/15/30	3,518	2,633
Occidental Petroleum Corp.	3.400%	4/15/26	365	334	Navient Corp.	5.500%	1/25/23	1,000	993
Occidental Petroleum Corp.	3.200%	8/15/26	230	207	Navient Corp.	7.250%	9/25/23	186	185
Occidental Petroleum Corp.	3.000%	2/15/27	250	225	Navient Corp.	6.750%	6/15/26	40	35
Occidental Petroleum Corp.	6.375%	9/1/28	240	243	Navient Corp.	4.875%	3/15/28	398	311
Occidental Petroleum Corp.	6.125%	1/1/31	676	686	Navient Corp.	5.500%	3/15/29	2,135	1,664
Occidental Petroleum Corp.	4.400%	4/15/46	225	182	Navient Corp.	5.625%	8/1/33	281	197
Ovintiv Inc.	7.200%	11/1/31	140	152	OneMain Finance Corp.	8.250%	10/1/23	380	380
Ovintiv Inc.	7.375%	11/1/31	1,344	1,483	OneMain Finance Corp.	6.125%	3/15/24	815	778
Ovintiv Inc.	6.500%	8/15/34	397	413	OneMain Finance Corp.	7.125%	3/15/26	2,536	2,364
Ovintiv Inc.	6.500%	2/1/38	715	742	OneMain Finance Corp.	3.500%	1/15/27	545	436
Range Resources Corp.	8.250%	1/15/29	675	691	OneMain Finance Corp.	3.875%	9/15/28	1,350	1,033
¹ Range Resources Corp.	4.750%	2/15/30	280	252	OneMain Finance Corp.	4.000%	9/15/30	1,500	1,111
¹ Rockies Express Pipeline LLC	4.950%	7/15/29	207	177	¹ Park Aerospace Holdings Ltd.	5.500%	2/15/24	455	458
¹ Rockies Express Pipeline LLC	4.800%	5/15/30	166	138	¹ PennyMac Financial Services Inc.	5.375%	10/15/25	1,745	1,533
¹ Rockies Express Pipeline LLC	7.500%	7/15/38	322	287	¹ PennyMac Financial Services Inc.	4.250%	2/15/29	2,700	1,998
Southwestern Energy Co.	5.375%	2/1/29	747	694	Radian Group Inc.	4.500%	10/1/24	2,485	2,358
Southwestern Energy Co.	5.375%	3/15/30	1,813	1,668	Radian Group Inc.	6.625%	3/15/25	300	295
Southwestern Energy Co.	4.750%	2/1/32	385	329	Radian Group Inc.	4.875%	3/15/27	300	271
Sunoco LP / Sunoco Finance Corp.	6.000%	4/15/27	2,265	2,160	¹ United Wholesale Mortgage LLC	5.500%	11/15/25	300	258
Sunoco LP / Sunoco Finance Corp.	5.875%	3/15/28	725	666	¹ United Wholesale Mortgage LLC	5.750%	6/15/27	650	521
Sunoco LP / Sunoco Finance Corp.	4.500%	5/15/29	805	664					46,568
¹ Sunoco LP / Sunoco Finance Corp.	4.500%	4/30/30	1,150	935	Health Care (10.0%)				
Targa Resources Partners LP / Targa Resources Partners Finance Corp.	6.875%	1/15/29	1,200	1,225	¹ 180 Medical Inc.	3.875%	10/15/29	200	173
Targa Resources Partners LP / Targa Resources Partners Finance Corp.	4.875%	2/1/31	1,640	1,496	¹ Acadia Healthcare Co. Inc.	5.500%	7/1/28	575	538
^{1.6} Transocean Guardian Ltd.	5.875%	1/15/24	714	662	¹ Acadia Healthcare Co. Inc.	5.000%	4/15/29	350	316
^{1.6} Transocean Phoenix 2 Ltd.	7.750%	10/15/24	459	444	^{1.2} Avantor Funding Inc.	2.625%	11/1/25	2,316	2,245
^{1.6} Transocean Pontus Ltd.	6.125%	8/1/25	526	483	¹ Avantor Funding Inc.	4.625%	7/15/28	3,035	2,779
^{1.6} Transocean Proteus Ltd.	6.250%	12/1/24	538	508	¹ Avantor Funding Inc.	3.875%	11/1/29	170	149
¹ Venture Global Calcasieu Pass LLC	3.875%	8/15/29	1,295	1,135	¹ Bausch Health Cos. Inc.	5.500%	11/1/25	2,140	1,882
¹ Venture Global Calcasieu Pass LLC	4.125%	8/15/31	1,635	1,404	¹ Bausch Health Cos. Inc.	9.000%	12/15/25	500	369
¹ Venture Global Calcasieu Pass LLC	3.875%	11/1/33	2,110	1,740	¹ Bausch Health Cos. Inc.	6.125%	2/1/27	180	153
¹ Vine Energy Holdings LLC	6.750%	4/15/29	15	15	¹ Bausch Health Cos. Inc.	5.000%	1/30/28	685	365
Western Midstream Operating LP	3.600%	2/1/25	105	97	¹ Bausch Health Cos. Inc.	4.875%	6/1/28	925	724
Western Midstream Operating LP	3.950%	6/1/25	430	406	¹ Bausch Health Cos. Inc.	7.250%	5/30/29	60	33
Western Midstream Operating LP	4.650%	7/1/26	1,150	1,082	¹ Bausch Health Cos. Inc.	5.250%	1/30/30	375	195
Western Midstream Operating LP	4.500%	3/1/28	100	90	^{1.2} CAB SELAS	3.375%	2/1/28	1,246	1,048
Western Midstream Operating LP	4.750%	8/15/28	215	197	² CAB SELAS	3.375%	2/1/28	650	547
Western Midstream Operating LP	4.550%	2/1/30	95	82	^{1.2} Catalent Pharma Solutions Inc.	5.000%	7/15/27	630	593
Western Midstream Operating LP	5.450%	4/1/44	595	494	² Catalent Pharma Solutions Inc.	2.375%	3/1/28	1,310	1,115
Western Midstream Operating LP	5.300%	3/1/48	1,492	1,203	² Catalent Pharma Solutions Inc.	2.375%	3/1/28	750	638
Western Midstream Operating LP	5.750%	2/1/50	1,804	1,457	¹ Catalent Pharma Solutions Inc.	3.125%	2/15/29	185	152
				58,852	¹ Catalent Pharma Solutions Inc.	3.500%	4/1/30	430	353
					¹ Centene Corp.	4.250%	12/15/27	2,080	1,942

HighYield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)	
Centene Corp.	4.625%	12/15/29	735	685	¹	Mueller Water Products Inc.	4.000%	6/15/29	175	153
Centene Corp.	3.375%	2/15/30	810	687	^{1,2}	Q-Park Holding I BV	1.500%	3/1/25	805	728
Centene Corp.	3.000%	10/15/30	590	489	^{1,2}	Q-Park Holding I BV	2.000%	3/1/27	775	645
¹ Charles River Laboratories International Inc.	4.250%	5/1/28	1,550	1,394	¹	Sensata Technologies BV	4.875%	10/15/23	300	296
¹ Charles River Laboratories International Inc.	3.750%	3/15/29	640	555	¹	Sensata Technologies BV	5.625%	11/1/24	575	568
¹ Charles River Laboratories International Inc.	4.000%	3/15/31	650	557	¹	Sensata Technologies BV	5.000%	10/1/25	1,625	1,562
¹ CHS/Community Health Systems Inc.	5.625%	3/15/27	1,940	1,642	¹	Sensata Technologies Inc.	4.375%	2/15/30	400	342
¹ CHS/Community Health Systems Inc.	6.000%	1/15/29	770	635	¹	Sensata Technologies Inc.	3.750%	2/15/31	1,642	1,318
¹ CHS/Community Health Systems Inc.	5.250%	5/15/30	1,025	782	¹	Spirit AeroSystems Inc.	5.500%	1/15/25	750	698
¹ CHS/Community Health Systems Inc.	4.750%	2/15/31	835	614	¹	Spirit AeroSystems Inc.	3.850%	6/15/26	90	77
¹ Grifols Escrow Issuer SA	4.750%	10/15/28	290	252	¹	Stericycle Inc.	3.875%	1/15/29	255	210
^{1,2} Grifols SA	1.625%	2/15/25	810	780	^{1,2}	TK Elevator Midco GmbH	4.375%	7/15/27	600	541
^{1,2} Grifols SA	2.250%	11/15/27	1,325	1,159	¹	TK Elevator US Newco Inc.	5.250%	7/15/27	1,360	1,215
HCA Inc.	7.690%	6/15/25	130	137		TransDigm Inc.	5.500%	11/15/27	215	183
HCA Inc.	5.875%	2/15/26	2,130	2,144		TransDigm Inc.	4.625%	1/15/29	2,215	1,783
HCA Inc.	5.625%	9/1/28	390	384		TransDigm Inc.	4.875%	5/1/29	85	69
HCA Inc.	5.875%	2/1/29	450	451		United Airlines Inc.	4.375%	4/15/26	340	302
HCA Inc.	3.500%	9/1/30	3,500	2,985	¹	United Airlines Inc.	4.625%	4/15/29	550	466
¹ Hologic Inc.	3.250%	2/15/29	1,665	1,423		United Rentals North America Inc.	5.500%	5/15/27	1,063	1,043
¹ IQVIA Inc.	5.000%	5/15/27	4,093	3,873		United Rentals North America Inc.	4.875%	1/15/28	1,794	1,699
^{1,2} IQVIA Inc.	2.250%	1/15/28	1,200	1,040		United Rentals North America Inc.	5.250%	1/15/30	740	687
^{1,2} IQVIA Inc.	2.875%	6/15/28	1,405	1,255		United Rentals North America Inc.	4.000%	7/15/30	2,665	2,276
¹ Jazz Securities DAC	4.375%	1/15/29	1,485	1,326		United Rentals North America Inc.	3.875%	2/15/31	1,206	1,019
¹ Mozart Debt Merger Sub Inc.	3.875%	4/1/29	5,695	4,855	^{1,2}	Verisure Holding AB	3.750%	1/15/32	875	719
¹ Mozart Debt Merger Sub Inc.	5.250%	10/1/29	3,339	2,775	^{1,2}	Verisure Midholding AB	3.250%	2/15/27	688	595
¹ Organon & Co. / Organon Foreign Debt Co.-Issuer BV	4.125%	4/30/28	2,675	2,367	¹	Williams Scotsman International Inc.	5.250%	2/15/29	221	176
¹ Organon & Co. / Organon Foreign Debt Co.-Issuer BV	5.125%	4/30/31	1,255	1,083			4.625%	8/15/28	355	307
¹ Owens & Minor Inc.	6.625%	4/1/30	736	671						
¹ Teleflex Inc.	4.250%	6/1/28	1,991	1,802						
¹ Tenet Healthcare Corp.	4.625%	7/15/24	115	111						
¹ Tenet Healthcare Corp.	4.625%	9/1/24	315	302						
¹ Tenet Healthcare Corp.	4.875%	1/1/26	270	249						
¹ Tenet Healthcare Corp.	4.625%	6/15/28	870	759						
¹ Tenet Healthcare Corp.	6.125%	6/15/30	905	848						
Teva Pharmaceutical Finance Netherlands III BV	3.150%	10/1/26	2,890	2,385						
Teva Pharmaceutical Finance Netherlands III BV	4.750%	5/9/27	200	171						
Teva Pharmaceutical Finance Netherlands III BV	6.750%	3/1/28	2,200	2,046						
				61,982						39,032
Industrials (6.3%)						Materials (8.6%)				
¹ APX Group Inc.	5.750%	7/15/29	580	450	¹	Advanced Drainage Systems Inc.	6.375%	6/15/30	230	225
¹ Aramark Services Inc.	5.000%	4/1/25	1,935	1,862	¹	Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance plc	3.250%	9/1/28	1,190	1,020
¹ Aramark Services Inc.	5.000%	2/1/28	1,365	1,248	¹	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.125%	8/15/26	1,890	1,601
¹ Brand Industrial Services Inc.	8.500%	7/15/25	462	347	^{1,4}	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	4.750%	7/15/27	160	139
¹ BWX Technologies Inc.	4.125%	6/30/28	1,058	942	¹	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	700	490
¹ BWX Technologies Inc.	4.125%	4/15/29	1,440	1,276	¹	Ardagh Packaging Finance plc / Ardagh Holdings USA Inc.	5.250%	8/15/27	1,825	1,280
¹ Clean Harbors Inc.	4.875%	7/15/27	1,414	1,294	¹	Axalta Coating Systems LLC	3.375%	2/15/29	1,640	1,340
¹ Clean Harbors Inc.	5.125%	7/15/29	768	704	²	Ball Corp.	4.875%	3/15/26	1,100	1,085
¹ Covanta Holding Corp.	4.875%	12/1/29	705	574	¹	Ball Corp.	1.500%	3/15/27	920	811
¹ First Student Bidco Inc. / First Transit Parent Inc.	4.000%	7/31/29	2,467	1,975	¹	Ball Corp.	3.125%	9/15/31	25	20
¹ Hawaiian Brand Intellectual Property Ltd. / HawaiianMiles Loyalty Ltd.	5.750%	1/20/26	1,960	1,756	¹	Berry Global Inc.	4.500%	2/15/26	983	915
¹ Herc Holdings Inc.	5.500%	7/15/27	5,966	5,460	¹	Berry Global Inc.	4.875%	7/15/26	2,120	2,025
¹ Howmet Aerospace Inc.	3.000%	1/15/29	40	33	¹	Berry Global Inc.	5.625%	7/15/27	215	206
^{1,2} Loxam SAS	4.250%	4/15/24	190	191		Cemex SAB de CV	7.375%	6/5/27	565	560
² Loxam SAS	2.875%	4/15/26	655	578	¹	Cemex SAB de CV	5.450%	11/19/29	590	523
² Loxam SAS	3.750%	7/15/26	500	448	¹	Cemex SAB de CV	3.875%	7/11/31	1,285	967
¹ Moog Inc.	4.250%	12/15/27	250	217	¹	Chemours Co.	4.625%	11/15/29	1,620	1,275
					¹	Clydesdale Acquisition Holdings Inc.	6.625%	4/15/29	710	668
						Commercial Metals Co.	4.125%	1/15/30	375	317
						Commercial Metals Co.	3.875%	2/15/31	145	116
						Commercial Metals Co.	4.375%	3/15/32	805	663
					¹	Constellium SE	5.875%	2/15/26	747	698
					¹	Constellium SE	5.625%	6/15/28	500	453
					¹	Constellium SE	3.750%	4/15/29	1,105	880
					¹	Crown Americas LLC	5.250%	4/1/30	655	617
						Crown Americas LLC / Crown Americas Capital Corp. VI	4.750%	2/1/26	2,715	2,588
					^{1,2}	Crown European Holdings SA	2.875%	2/1/26	1,555	1,525
					¹	Diamond BC BV	4.625%	10/1/29	360	288
					¹	FMG Resources August 2006 Pty Ltd.	5.875%	4/15/30	870	791
					¹	FMG Resources August 2006 Pty Ltd.	4.375%	4/1/31	1,925	1,584
					¹	FMG Resources August 2006 Pty Ltd.	6.125%	4/15/32	885	797

HighYield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		
	Graphic Packaging International LLC	4.125%	8/15/24	1,045	1,026						
¹	Graphic Packaging International LLC	4.750%	7/15/27	205	194	¹	Fair Isaac Corp.	4.000%	6/15/28	720	637
¹	Graphic Packaging International LLC	3.500%	3/15/28	1,990	1,721	¹	Gartner Inc.	3.625%	6/15/29	285	246
¹	Graphic Packaging International LLC	3.500%	3/1/29	540	458	¹	Gartner Inc.	3.750%	10/1/30	1,290	1,115
¹	Graphic Packaging International LLC	3.750%	2/1/30	485	413	¹	II-VI Inc.	5.000%	12/15/29	1,550	1,358
¹	NOVA Chemicals Corp.	5.250%	6/1/27	1,409	1,211	¹	Imola Merger Corp.	4.750%	5/15/29	6,635	5,564
¹	Novelis Corp.	3.250%	11/15/26	635	538	¹	Minerva Merger Sub Inc.	6.500%	2/15/30	2,093	1,746
¹	Novelis Corp.	4.750%	1/30/30	1,369	1,138	¹	MSCI Inc.	4.000%	11/15/29	1,730	1,535
¹	Novelis Corp.	3.875%	8/15/31	970	747	¹	MSCI Inc.	3.625%	11/1/31	35	29
¹	OCI NV	4.625%	10/15/25	555	539	¹	Nielsen Finance LLC / Nielsen Finance Co.	4.500%	7/15/29	2,050	1,856
	Olin Corp.	5.125%	9/15/27	1,406	1,294	¹	Nielsen Finance LLC / Nielsen Finance Co.	5.875%	10/1/30	100	92
	Olin Corp.	5.625%	8/1/29	705	628	¹	Nielsen Finance LLC / Nielsen Finance Co.	4.750%	7/15/31	1,490	1,344
	Olin Corp.	5.000%	2/1/30	687	595		Nokia of America Corp.	6.500%	1/15/28	1,355	1,353
¹	Owens-Brockway Glass Container Inc.	5.875%	8/15/23	1,471	1,457		Nokia of America Corp.	6.450%	3/15/29	2,612	2,500
¹	Owens-Brockway Glass Container Inc.	5.375%	1/15/25	640	604		Nokia OYJ	4.375%	6/12/27	725	687
¹	Owens-Brockway Glass Container Inc.	6.375%	8/15/25	1,245	1,187		Nokia OYJ	6.625%	5/15/39	3,460	3,418
¹	Owens-Brockway Glass Container Inc.	6.625%	5/13/27	1,180	1,101	¹	NortonLifeLock Inc.	5.000%	4/15/25	3,475	3,395
¹	Sealed Air Corp.	4.000%	12/1/27	424	382	¹	Open Text Corp.	3.875%	2/15/28	3,103	2,756
	Silgan Holdings Inc.	4.125%	2/1/28	1,045	938	¹	Open Text Corp.	3.875%	12/1/29	830	699
²	Silgan Holdings Inc.	2.250%	6/1/28	1,320	1,083	¹	Open Text Holdings Inc.	4.125%	2/15/30	1,830	1,560
¹	Standard Industries Inc.	5.000%	2/15/27	700	635	¹	Open Text Holdings Inc.	4.125%	12/1/31	940	782
¹	Standard Industries Inc.	4.750%	1/15/28	1,160	992	¹	Presidio Holdings Inc.	4.875%	2/1/27	2,667	2,442
¹	Standard Industries Inc.	4.375%	7/15/30	2,560	2,025	¹	Presidio Holdings Inc.	8.250%	2/1/28	825	726
¹	Standard Industries Inc.	3.375%	1/15/31	2,955	2,169	¹	PTC Inc.	3.625%	2/15/25	335	319
²	Trivium Packaging Finance BV	3.750%	8/15/26	1,000	959	¹	PTC Inc.	4.000%	2/15/28	635	587
^{1,2}	Trivium Packaging Finance BV	3.750%	8/15/26	480	460	¹	Square Inc.	2.750%	6/1/26	1,000	889
¹	Trivium Packaging Finance BV	5.500%	8/15/26	745	702	¹	Square Inc.	3.500%	6/1/31	210	169
¹	Tronox Inc.	4.625%	3/15/29	2,455	1,984	¹	SS&C Technologies Inc.	5.500%	9/30/27	4,075	3,832
				53,647			Western Digital Corp.	4.750%	2/15/26	1,504	1,438
							Xerox Corp.	4.625%	3/15/23	698	697
							Xerox Corp.	4.800%	3/1/35	542	412
Real Estate (1.2%)							Xerox Corp.	6.750%	12/15/39	1,995	1,690
¹	Iron Mountain Inc.	4.875%	9/15/27	595	538	¹	Xerox Holdings Corp.	5.000%	8/15/25	155	144
¹	Iron Mountain Inc.	4.875%	9/15/29	782	655	¹	Xerox Holdings Corp.	5.500%	8/15/28	4,685	3,934
¹	Park Intermediate Holdings LLC / PK Domestic Property LLC / PK Finance Co-Issuer	4.875%	5/15/29	265	228					61,866	
	Service Properties Trust	7.500%	9/15/25	128	118	Utilities (1.9%)					
	Service Properties Trust	5.250%	2/15/26	175	135		AmeriGas Partners LP / AmeriGas Finance Corp.	5.625%	5/20/24	1,395	1,357
	Service Properties Trust	4.750%	10/1/26	893	651		AmeriGas Partners LP / AmeriGas Finance Corp.	5.500%	5/20/25	620	584
	Service Properties Trust	4.950%	2/15/27	200	147		AmeriGas Partners LP / AmeriGas Finance Corp.	5.875%	8/20/26	1,765	1,653
	Service Properties Trust	5.500%	12/15/27	1,007	815	¹	Clearway Energy Operating LLC	4.750%	3/15/28	571	517
	Service Properties Trust	3.950%	1/15/28	485	337	¹	Clearway Energy Operating LLC	3.750%	2/15/31	2,370	1,922
	Service Properties Trust	4.950%	10/1/29	76	52	¹	Clearway Energy Operating LLC	3.750%	1/15/32	325	257
	Service Properties Trust	4.375%	2/15/30	467	315		FirstEnergy Corp.	4.400%	7/15/27	280	262
¹	VICI Properties LP / VICI Note Co Inc.	5.625%	5/1/24	150	148	¹	NextEra Energy Operating Partners LP	4.250%	7/15/24	983	941
¹	VICI Properties LP / VICI Note Co Inc.	4.250%	12/1/26	2,465	2,263	¹	NextEra Energy Operating Partners LP	4.250%	9/15/24	103	99
¹	VICI Properties LP / VICI Note Co Inc.	3.750%	2/15/27	458	402	¹	NextEra Energy Operating Partners LP	3.875%	10/15/26	3,035	2,763
¹	VICI Properties LP / VICI Note Co Inc.	4.625%	12/1/29	820	737	¹	NextEra Energy Operating Partners LP	4.500%	9/15/27	700	648
				7,541		¹	Suburban Propane Partners LP / Suburban Energy Finance Corp.	5.000%	6/1/31	590	502
Technology (9.9%)										11,505	
¹	Black Knight InfoServ LLC	3.625%	9/1/28	2,147	1,865	Total Corporate Bonds (Cost \$640,272)				557,655	
¹	Booz Allen Hamilton Inc.	3.875%	9/1/28	415	367	Floating Rate Loan Interests (5.8%)					
¹	Booz Allen Hamilton Inc.	4.000%	7/1/29	405	358	⁵	APX Group Inc. Term Loan B, 1M USD LIBOR + 3.500%	5.009%	7/10/28	1,266	1,193
	CDK Global Inc.	4.875%	6/1/27	524	519	⁵	APX Group Inc. Term Loan B, Prime + 2.500%	7.250%	7/10/28	4	4
¹	CDK Global Inc.	5.250%	5/15/29	1,480	1,454	⁵	Asurion LLC 2nd Lien Term Loan B-4, 1M USD LIBOR + 5.250%	6.916%	1/20/29	271	230
	CDW LLC / CDW Finance Corp.	5.500%	12/1/24	112	112	⁵	Asurion LLC Term Loan B-7, 1M USD LIBOR + 3.000%	4.666%	11/3/24	2,986	2,793
	CDW LLC / CDW Finance Corp.	4.125%	5/1/25	1,340	1,303						
	CDW LLC / CDW Finance Corp.	4.250%	4/1/28	2,495	2,260						
¹	Condor Merger Sub Inc.	7.375%	2/15/30	835	679						
¹	Entegris Escrow Corp.	4.750%	4/15/29	875	816						
¹	Entegris Inc.	4.375%	4/15/28	1,905	1,701						
¹	Entegris Inc.	3.625%	5/1/29	575	481						

HighYield Bond Portfolio

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
⁵ Asurion LLC Term Loan B-8, 1M USD LIBOR + 3.250%	4.916%	12/23/26	1,173	1,060
⁵ Asurion LLC Term Loan B-9, 1M USD LIBOR + 3.250%	4.916%	7/31/27	2,023	1,825
⁵ Athenahealth Inc. Term Loan B, TSFR1M + 3.500%	5.009%	2/15/29	1,124	1,030
⁵ Beacon Roofing Supply Inc. Term Loan B, 1M USD LIBOR + 2.250%	3.916%	5/19/28	376	358
⁵ Brown Group Holding LLC Term Loan B, 3M USD LIBOR + 2.500%	4.166%	6/7/28	2,477	2,354
⁵ Chamberlain Group Inc. Term Loan B, 3M USD LIBOR + 3.500%	4.506%	11/3/28	1,661	1,505
⁵ Clarios Global LP Term Loan B, 1M USD LIBOR + 3.250%	4.916%	4/30/26	917	851
⁵ Dun & Bradstreet Corp. Term Loan, 1M USD LIBOR + 3.250%	4.874%	2/6/26	4,284	4,034
⁵ Great Outdoors Group LLC Term Loan B-1, 1M USD LIBOR + 3.750%	5.416%	3/6/28	1,833	1,672
⁵ HUB International Ltd. Term Loan B, 3M USD LIBOR + 3.250%	4.348%	4/25/25	1,241	1,172
⁵ IRB Holding Corp. Term Loan B, TSFR1M + 3.150%	4.238%	12/15/27	3,708	3,523
⁵ McAfee LLC Term Loan B, TSFR1M + 4.000%	5.145%	3/1/29	1,945	1,760
⁵ Medline Borrower LP Term Loan B, 1M USD LIBOR + 3.250%	4.916%	10/23/28	3,252	3,008
⁵ NorthRiver Midstream Finance LP Term Loan B, 3M USD LIBOR + 3.250%	4.217%	10/1/25	717	697
⁵ Owens & Minor Inc. Term Loan B, SOFR + 3.750%	4.250%	3/29/29	319	316
⁵ Peraton Corp. Term Loan B, 1M USD LIBOR + 3.750%	5.416%	2/1/28	1,629	1,527
⁵ SRAM LLC Term Loan B, 6M USD LIBOR + 2.750%	4.416%	5/18/28	1,566	1,484
⁵ SRS Distribution Inc. Term Loan, TSFR3M + 3.500%	4.000%	6/2/28	184	169
⁵ SS&C European Holdings Sarl Term Loan B-4, 1M USD LIBOR + 1.750%	3.416%	4/16/25	436	414
⁵ SS&C Technologies Inc. Term Loan B-3, 1M USD LIBOR + 1.750%	3.416%	4/16/25	536	510

	Coupon	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
⁵ SS&C Technologies Inc. Term Loan B-5, 1M USD LIBOR + 1.750%	3.416%	4/16/25	651	619
⁵ Trans Union LLC Term Loan B-6, 1M USD LIBOR + 2.250%	3.916%	12/1/28	1,872	1,783
⁵ WW International Inc. Term Loan B, 1M USD LIBOR + 3.500%	5.170%	4/13/28	102	78
Total Floating Rate Loan Interests (Cost \$38,436)				35,969
Temporary Cash Investments (2.6%)				
Repurchase Agreement (2.6%)				
Bank of America Securities, LLC (Dated 6/30/22, Repurchase Value \$16,401,000, collateralized by Fannie Mae 2.000%, 2/1/52, with a value of \$16,728,000) (Cost \$16,400)	1.550%	7/1/22	16,400	16,400
Total Investments (97.9%) (Cost \$695,108)				610,024
Other Assets and Liabilities—Net (2.1%)				13,099
Net Assets (100%)				623,123

Cost is in \$000.

• See Note A in Notes to Financial Statements.

1 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2022, the aggregate value was \$367,712,000, representing 59.0% of net assets.

2 Face amount denominated in euro.

3 Face amount denominated in Canadian dollars.

4 Face amount denominated in British pounds.

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

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

1M—1-month.

3M—3-month.

6M—6-month.

LIBOR—London Interbank Offered Rate.

SOFR—Secured Overnight Financing Rate.

TSFR1M—CME Term SOFR 1 Month

TSFR3M—CME Term SOFR 3 Month

USD—U.S. dollar.

Other Financial Instruments as of Period End

Floating Rate Loan Commitments

	Total Unfunded Commitment (\$000)	Fair Value Commitment (\$000)	Unrealized Appreciation (\$000)	Unrealized Depreciation (\$000)
Athenahealth Inc.	191	180	—	(11)

Derivative Financial Instruments Outstanding as of Period End

Forward Currency Contracts

Counterparty	Contract Settlement Date	Contract Amount (000)				Unrealized Appreciation (\$000)	Unrealized Depreciation (\$000)
		Receive		Deliver			
UBS AG	7/29/22	USD	1,992	CAD	2,565	—	(1)
BNP Paribas	7/29/22	USD	24,957	EUR	23,688	84	—
Toronto-Dominion Bank	7/29/22	USD	1,430	GBP	1,174	1	—
						85	(1)

CAD—Canadian dollar.

EUR—euro.

GBP—British pound.

USD—U.S. dollar.

Centrally Cleared Credit Default Swaps

Reference Entity	Termination Date	Notional Amount (000)	Periodic Premium Received (Paid) ¹ (%)	Value (\$000)	Unrealized Appreciation (Depreciation) (\$000)
CDX-NA-HY-S38-V2	6/21/27	USD	11,410	5.000 (325)	(214)

¹ Periodic premium received/paid quarterly.

USD—U.S. dollar.

The notional amount represents the maximum potential amount the fund could be required to pay as a seller of credit protection if the reference entity was subject to a credit event.

At June 30, 2022, the counterparties had deposited in segregated accounts securities with a value of \$530,000 in connection with open forward currency contracts.

Statement of Assets and Liabilities

As of June 30, 2022

(\$000s, except shares and per-share amounts)	Amount
Assets	
Investments in Securities, at Value—Unaffiliated Issuers (Cost \$695,108)	610,024
Investment in Vanguard	24
Cash	18
Cash Collateral Pledged—Centrally Cleared Swap Contracts	1,050
Foreign Currency, at Value (Cost \$241)	242
Receivables for Investment Securities Sold	3,472
Receivables for Accrued Income	8,770
Receivables for Capital Shares Issued	187
Unrealized Appreciation—Forward Currency Contracts	85
Total Assets	623,872
Liabilities	
Payables for Investment Securities Purchased	273
Payables to Investment Advisor	101
Payables for Capital Shares Redeemed	256
Payables to Vanguard	53
Unrealized Depreciation - Floating Rate Loan Commitments	11
Unrealized Depreciation—Forward Currency Contracts	1
Variation Margin Payable—Centrally Cleared Swap Contracts	54
Total Liabilities	749
Net Assets	623,123

At June 30, 2022, net assets consisted of:

Paid-in Capital	705,190
Total Distributable Earnings (Loss)	(82,067)
Net Assets	623,123

Net Assets

Applicable to 93,102,263 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	623,123
Net Asset Value Per Share	\$6.69

Statement of Operations

	Six Months Ended June 30, 2022
	(\$000)
Investment Income	
Income	
Interest ¹	16,605
Total Income	16,605
Expenses	
Investment Advisory Fees—Note B	210
The Vanguard Group—Note C	
Management and Administrative	633
Marketing and Distribution	31
Custodian Fees	7
Shareholders' Reports	17
Trustees' Fees and Expenses	—
Other Expenses	6
Total Expenses	904
Net Investment Income	15,701
Realized Net Gain (Loss)	
Investment Securities Sold	(2,851)
Swap Contracts	(311)
Forward Currency Contracts	2,309
Foreign Currencies	(34)
Realized Net Gain (Loss)	(887)
Change in Unrealized Appreciation (Depreciation)	
Investment Securities	(109,600)
Floating Rate Loan Commitments	(11)
Swap Contracts	(214)
Forward Currency Contracts	467
Foreign Currencies	(8)
Change in Unrealized Appreciation (Depreciation)	(109,366)
Net Increase (Decrease) in Net Assets Resulting from Operations	(94,552)

¹ Interest is net of foreign withholding taxes of \$4,000.

Statement of Changes in Net Assets

	Six Months Ended June 30, 2022	Year Ended December 31, 2021
	(\$000)	(\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	15,701	33,835
Realized Net Gain (Loss)	(887)	11,770
Change in Unrealized Appreciation (Depreciation)	(109,366)	(17,094)
Net Increase (Decrease) in Net Assets Resulting from Operations	(94,552)	28,511
Distributions		
Total Distributions	(33,997)	(34,925)
Capital Share Transactions		
Issued	64,527	118,974
Issued in Lieu of Cash Distributions	33,997	34,925
Redeemed	(125,557)	(199,987)
Net Increase (Decrease) from Capital Share Transactions	(27,033)	(46,088)
Total Increase (Decrease)	(155,582)	(52,502)
Net Assets		
Beginning of Period	778,705	831,207
End of Period	623,123	778,705

Financial Highlights

For a Share Outstanding Throughout Each Period	Six Months Ended June 30,	Year Ended December 31,				
	2022	2021	2020	2019	2018	2017
Net Asset Value, Beginning of Period	\$8.06	\$8.12	\$8.19	\$7.53	\$8.13	\$7.99
Investment Operations						
Net Investment Income ¹	.166	.337	.353	.410	.420	.419
Net Realized and Unrealized Gain (Loss) on Investments	(1.165)	(.053)	.021	.731	(.636)	.119
Total from Investment Operations	(.999)	.284	.374	1.141	(.216)	.538
Distributions						
Dividends from Net Investment Income	(.371)	(.344)	(.444)	(.481)	(.384)	(.398)
Distributions from Realized Capital Gains	—	—	—	—	—	—
Total Distributions	(.371)	(.344)	(.444)	(.481)	(.384)	(.398)
Net Asset Value, End of Period	\$6.69	\$8.06	\$8.12	\$8.19	\$7.53	\$8.13
Total Return	-12.75%	3.68%	5.67%	15.67%	-2.73%	7.00%
Ratios/Supplemental Data						
Net Assets, End of Period (Millions)	\$623	\$779	\$831	\$783	\$704	\$752
Ratio of Total Expenses to Average Net Assets	0.26%	0.26%	0.26%	0.26%	0.26%	0.28%
Ratio of Net Investment Income to Average Net Assets	4.52%	4.22%	4.57%	5.21%	5.39%	5.22%
Portfolio Turnover Rate	12%	30%	41%	27%	23%	28%

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

¹ Calculated based on average shares outstanding.

Notes to Financial Statements

The High Yield Bond Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Certain of the portfolio's investments are in corporate debt instruments; the issuers' abilities to meet their obligations may be affected by economic developments in their respective industries. 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. Bonds and temporary cash investments are valued using the latest bid prices or using valuations based on a matrix system (which considers such factors as security prices, yields, maturities, and ratings), both as furnished by independent pricing services. Securities for which market quotations are not readily available, or whose values have been materially affected by events occurring before the portfolio's pricing time but after the close of the securities' primary markets, are valued by methods deemed by the board of trustees to represent fair value.

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

3. **Floating Rate Loan Interests:** Floating rate loan interests represent interests in amounts owed by corporate or other borrowers. These instruments may be in the form of loans, trade claims or other receivables and may include standby financing commitments such as revolving credit facilities that obligate the portfolio to supply additional cash to the borrower on demand. Floating rate loan interests may be made directly with a borrower or acquired through assignment or participation. The portfolio's right to enforce a borrower's compliance with the terms of the loan agreement, or benefit directly from the collateral supporting the loan, varies when the loan is a direct borrowing, an assignment, or a participation. Floating rate loan interests involve various risks including risk of loss in case of default, insolvency, or the bankruptcy of the borrower and are generally subject to restrictions on transfer with limited opportunities to sell them in secondary markets. The portfolio may also invest in loan commitments, which are contractual obligations for a future funding. The portfolio may earn a commitment fee on any unfunded portion of these commitments which is amortized to interest income over the commitment period. Both the funded portion of a floating rate loan interest as well as its unfunded commitment, if any, is reflected on the Schedule of Investments.

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

5. **Forward Currency Contracts:** The portfolio enters into forward currency contracts to protect the value of securities and related receivables and payables against changes in future foreign exchange rates. The portfolio's risks in using these contracts include movement in the values of the foreign currencies relative to the U.S. dollar and the ability of the counterparties to fulfill their obligations under the contracts. The portfolio mitigates its counterparty risk by entering into forward currency contracts only with a diverse group of prequalified counterparties, monitoring their financial strength,

entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. The master netting arrangements provide that, in the event of a counterparty's default (including bankruptcy), the portfolio may terminate the forward currency contracts, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The forward currency contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio's net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any securities pledged as collateral for open contracts are noted in the Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the forward currency contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

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

During the six months ended June 30, 2022, the portfolio's average investment in forward currency contracts represented 5% of net assets, based on the average of the notional amounts at each quarter-end during the period.

6. Swap Contracts: The portfolio invests in credit default swaps to adjust the overall credit risk of the portfolio or to actively overweight or underweight credit risk to a specific issuer or group of issuers. The portfolio may sell credit protection through credit default swaps to simulate investments in long positions that are either unavailable or considered to be less attractively priced in the bond market. The portfolio may purchase credit protection through credit default swaps to reduce credit exposure to a given issuer or issuers. Under the terms of the swaps, an up-front payment may be exchanged between the seller and buyer. In addition, the seller of the credit protection receives a periodic payment of premium from the buyer that is a fixed percentage applied to a notional amount. If, for example, the reference entity is subject to a credit event (such as bankruptcy, failure to pay, or obligation acceleration) during the term of the swap, the seller agrees to either physically settle or cash settle the swap contract. If the swap is physically settled, the seller agrees to pay the buyer an amount equal to the notional amount and take delivery of a debt instrument of the reference issuer with a par amount equal to such notional amount. If the swap is cash settled, the seller agrees to pay the buyer the difference between the notional amount and the final price for the relevant debt instrument, as determined either in a market auction or pursuant to a pre-agreed-upon valuation procedure.

The portfolio enters into centrally cleared credit default swaps to achieve the same objectives specified with respect to the equivalent over-the-counter swaps but with less counterparty risk because a regulated clearinghouse is the counterparty instead of the clearing broker or executing broker. 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. To further mitigate counterparty risk, the portfolio trades with a diverse group of prequalified executing brokers; monitors the financial strength of its clearing brokers, executing brokers, and clearinghouse; and has entered into agreements with its clearing brokers and executing brokers.

A risk associated with all types of swaps is the possibility that a counterparty may default on its obligation to pay net amounts due to the portfolio. The portfolio's maximum amount subject to counterparty risk is the unrealized appreciation on the swap contract. The portfolio mitigates its counterparty risk by entering into swaps only with a diverse group of prequalified counterparties, monitoring their financial strength, entering into master netting arrangements with its counterparties, and requiring its counterparties to transfer collateral as security for their performance. In the absence of a default, the collateral pledged or received by the portfolio cannot be repledged, resold, or rehypothecated. In the event of a counterparty's default (including bankruptcy), the portfolio may terminate any swap contracts with that counterparty, determine the net amount owed by either party in accordance with its master netting arrangements, and sell or retain any collateral held up to the net amount owed to the portfolio under the master netting arrangements. The swap contracts contain provisions whereby a counterparty may terminate open contracts if the portfolio's net assets decline below a certain level, triggering a payment by the portfolio if the portfolio is in a net liability position at the time of the termination. The payment amount would be reduced by any collateral the portfolio has pledged. Any securities pledged as collateral for open contracts are noted in the

Schedule of Investments. The value of collateral received or pledged is compared daily to the value of the swap contracts exposure with each counterparty, and any difference, if in excess of a specified minimum transfer amount, is adjusted and settled within two business days.

The notional amounts of swap contracts are not recorded in the Statement of Assets and Liabilities. Swaps are valued daily based on market quotations received from independent pricing services or recognized dealers and the change in value is recorded in the Statement of Assets and Liabilities as an asset (liability) and in the Statement of Operations as unrealized appreciation (depreciation) until periodic payments are made or the termination of the swap, at which time realized gain (loss) is recorded.

During the six months ended June 30, 2022, the portfolio's average amounts of investments in credit protection sold and credit protection purchased represented 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

7. 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.

8. 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.

9. 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 six months ended June 30, 2022, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

10. Other: Interest income is accrued daily. Premiums and discounts on debt securities are amortized and accreted, respectively, to interest income over the lives of the respective securities, except for premiums on certain callable debt securities that are amortized to the earliest call date. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. Wellington Management Company LLP provides investment advisory services to the portfolio for a fee calculated at an annual percentage rate of average net assets. For the six months ended June 30, 2022, the investment advisory fee represented an effective annual basic rate of 0.06% of the portfolio's average net assets.

In July 2022, the board of trustees approved adding Vanguard as an investment advisor to a portion of the portfolio, effective on August 29, 2022.

C. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees and are generally settled twice a month.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At June 30, 2022, the portfolio had contributed to Vanguard capital in the amount of \$24,000, 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, other financial instruments, 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, other financial instruments, and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

The following table summarizes the market value of the portfolio's investments, other financial instruments, and derivatives as of June 30, 2022, based on the inputs used to value them:

	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Total (\$000)
Investments				
Assets				
Corporate Bonds	—	557,655	—	557,655
Floating Rate Loan Interests	—	35,969	—	35,969
Temporary Cash Investments	—	16,400	—	16,400
Total	—	610,024	—	610,024
Other Financial Instruments				
Liabilities				
Floating Rate Loan Commitments	—	11	—	11
Derivative Financial Instruments				
Assets				
Forward Currency Contracts	—	85	—	85
Liabilities				
Forward Currency Contracts	—	1	—	1
Swap Contracts	214 ¹	—	—	214
Total	214	1	—	215

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

E. At June 30, 2022, the fair values of derivatives were reflected in the Statement of Assets and Liabilities as follows:

	Foreign Exchange Contracts (\$000)	Credit Contracts (\$000)	Total (\$000)
Statement of Assets and Liabilities			
Unrealized Appreciation—Forward Currency Contracts	85	—	85
Total Assets	85	—	85
Unrealized Depreciation—Centrally Cleared Swap Contracts¹			
Unrealized Depreciation—Forward Currency Contracts	1	—	1
Liabilities	1	214	215

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

Realized net gain (loss) and the change in unrealized appreciation (depreciation) on derivatives for the six months ended June 30, 2022, were:

	Foreign Exchange Contracts (\$000)	Credit Contracts (\$000)	Total (\$000)
Realized Net Gain (Loss) on Derivatives			
Swap Contracts	—	(311)	(311)
Forward Currency Contracts	2,309	—	2,309
Realized Net Gain (Loss) on Derivatives	2,309	(311)	1,998
Change in Unrealized Appreciation (Depreciation) on Derivatives			
Swap Contracts	—	(214)	(214)
Forward Currency Contracts	467	—	467
Change in Unrealized Appreciation (Depreciation) on Derivatives	467	(214)	253

F. As of June 30, 2022, gross unrealized appreciation and depreciation for investments, other financial instruments, and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	695,018
Gross Unrealized Appreciation	1,316
Gross Unrealized Depreciation	(86,451)
Net Unrealized Appreciation (Depreciation)	(85,135)

The portfolio's tax-basis capital gains and losses are determined only at the end of each fiscal year. For tax purposes, at December 31, 2021, the portfolio had available capital losses totaling \$10,614,000 that may be carried forward indefinitely to offset future net capital gains. The portfolio will use these capital losses to offset net taxable capital gains, if any, realized during the year ending December 31, 2022; should the portfolio realize net capital losses for the year, the losses will be added to the loss carryforward balance above.

G. During the six months ended June 30, 2022, the portfolio purchased \$78,246,000 of investment securities and sold \$106,658,000 of investment securities, other than temporary cash investments.

H. Capital shares issued and redeemed were:

	Six Months Ended June 30, 2022	Year Ended December 31, 2021
	Shares (000)	Shares (000)
Issued	8,668	14,871
Issued in Lieu of Cash Distributions	4,683	4,518
Redeemed	(16,902)	(25,144)
Net Increase (Decrease) in Shares Outstanding	(3,551)	(5,755)

At June 30, 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 43% 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 other events or transactions occurred subsequent to June 30, 2022, that would require recognition or disclosure in these financial statements.

Trustees Approve Advisory Arrangement

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

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

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

In addition, the board received periodic reports throughout the year, which included information about the portfolio's performance relative to its peers and benchmark, as applicable, and updates, as needed, on the Portfolio Review Department's ongoing assessment of the advisor.

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

Nature, extent, and quality of services

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

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

Investment performance

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

Cost

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

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

The benefit of economies of scale

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

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

Liquidity Risk Management

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

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

The board of trustees of Vanguard Variable Insurance Funds approved the appointment of liquidity risk management program administrators responsible for administering the High Yield Bond Portfolio's Program and for carrying out the specific responsibilities set forth in the Program, including reporting to the board on at least an annual basis regarding the Program's operation, its adequacy, and the effectiveness of its implementation for the past year (the "Program Administrator Report"). The board has reviewed the Program Administrator Report covering the period from January 1, 2021, through December 31, 2021 (the "Review Period"). The Program Administrator Report stated that during the Review Period the Program operated and was implemented effectively to manage the portfolio's liquidity risk.

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