

**Annual Report** | December 31, 2021

# Vanguard Variable Insurance Funds

Mid-Cap Index 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

- For the 12 months ended December 31, 2021, the Mid-Cap Index Portfolio returned 24.36%, in line with its benchmark index after factoring in the portfolio's expenses.
- The U.S. economy continued to heal over the 12 months. Vaccination programs started rolling out shortly after the period began—helping some of the hardest-hit sectors, such as hospitality, leisure, and travel, begin to rebound—and more workers returned to the labor force. U.S. stocks performed strongly even as new COVID-19 variants spread, inflation surged, and Federal Reserve monetary policy turned less accommodative.
- Technology contributed most to the portfolio's performance. Industrials and real estate also performed strongly.
- For the 10 years ended December 31, the portfolio's average annual return was 14.97%, in line with its benchmark.
- Please note that the portfolio's returns are different from those in Vanguard Variable Annuity (and other plans that invest in the portfolio), which take into account insurance-related expenses.

### Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2021		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	26.45%	26.21%	18.43%
Russell 2000 Index (Small-caps)	14.82	20.02	12.02
Russell 3000 Index (Broad U.S. market)	25.66	25.79	17.97
FTSE All-World ex US Index (International)	8.36	13.66	9.89
<b>Bonds</b>			
Bloomberg U.S. Aggregate Bond Index (Broad taxable market)	-1.54%	4.79%	3.57%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	1.52	4.73	4.17
FTSE Three-Month U.S. Treasury Bill Index	0.05	0.95	1.11
<b>CPI</b>			
Consumer Price Index	7.04%	3.53%	2.92%

## 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, 2021

Mid-Cap Index Portfolio	Beginning Account Value 6/30/2021	Ending Account Value 12/31/2021	Expenses Paid During Period
Based on Actual Portfolio Return	\$1,000.00	\$1,079.10	\$0.89
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.35	0.87

The calculations are based on expenses incurred in the most recent six-month period. The portfolio's annualized six-month expense ratio for that period is 0.17%. The dollar amounts shown as "Expenses Paid" are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

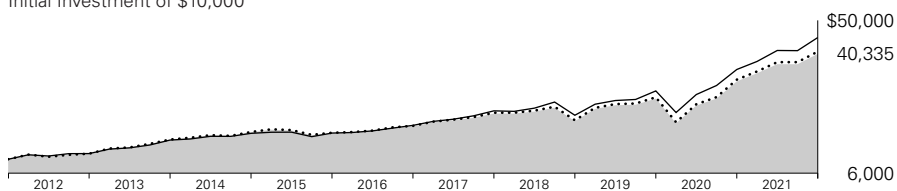
# Mid-Cap Index Portfolio

## Performance Summary

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

### Cumulative Performance: December 31, 2011, Through December 31, 2021

Initial Investment of \$10,000



Average Annual Total Returns  
Periods Ended December 31, 2021

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Mid-Cap Index Portfolio	24.36%	15.72%	14.97%	\$40,335
Spliced Mid-Cap Index	24.52	15.89	15.15	40,996
Dow Jones U.S. Total Stock Market Float Adjusted Index	25.66	17.92	16.24	45,050

Spliced Mid-Cap Index: MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index thereafter.

## Portfolio Allocation

As of December 31, 2021

Basic Materials	3.4%
Consumer Discretionary	14.3
Consumer Staples	4.0
Energy	4.4
Financials	11.2
Health Care	11.2
Industrials	15.5
Real Estate	9.5
Technology	18.6
Telecommunications	2.1
Utilities	5.8

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

The portfolio may invest in derivatives (such as futures and swap contracts) for various reasons, including, but not limited to, attempting to remain fully invested and tracking its target index as closely as possible.

## Financial Statements

## Schedule of Investments

As of December 31, 2021

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)			
<b>Common Stocks (99.8%)</b>								
<b>Basic Materials (3.4%)</b>								
International Flavors & Fragrances Inc.	94,655	14,260	Pool Corp.	7,100	4,019			
Fastenal Co.	214,002	13,709	BorgWarner Inc.	89,040	4,013			
Nucor Corp.	106,353	12,140	* Peloton Interactive Inc. Class A	105,300	3,766			
Albemarle Corp.	43,446	10,156	* Wynn Resorts Ltd.	38,750	3,295			
LyondellBasell Industries NV Class A	98,997	9,130	* Bath & Body Works Inc.	46,700	3,259			
Celanese Corp.	40,467	6,801	* DraftKings Inc. Class A	113,366	3,114			
International Paper Co.	144,052	6,768	* Liberty Media Corp.-Liberty SiriusXM Class C	60,436	3,073			
Avery Dennison Corp.	30,790	6,668	* Las Vegas Sands Corp.	78,100	2,940			
Eastman Chemical Co.	50,025	6,049	*,1 Lucid Group Inc.	76,543	2,912			
FMC Corp.	47,206	5,187	Rollins Inc.	82,317	2,816			
CF Industries Holdings Inc.	39,894	2,824	Interpublic Group of Cos. Inc.	73,301	2,745			
Westlake Chemical Corp.	5,947	578	* Discovery Inc. Class C	115,912	2,654			
		94,270	Vail Resorts Inc.	7,552	2,476			
<b>Consumer Discretionary (14.3%)</b>								
* Aptiv plc	100,651	16,602	* American Airlines Group Inc.	120,551	2,165			
* Trade Desk Inc. Class A	162,200	14,864	Lear Corp.	11,129	2,036			
DR Horton Inc.	126,039	13,669	1 Sirius XM Holdings Inc.	298,400	1,895			
* Copart Inc.	79,430	12,043	* Endeavor Group Holdings Inc. Class A	54,026	1,885			
* Dollar Tree Inc.	83,644	11,754	* Chewy Inc. Class A	31,720	1,871			
Lennar Corp. Class A	100,092	11,627	* Fox Corp. Class B	53,868	1,846			
* Etsy Inc.	47,100	10,312	* GameStop Corp. Class A	12,100	1,795			
Tractor Supply Co.	42,313	10,096	*,1 QuantumScape Corp. Class A	72,768	1,615			
* Expedia Group Inc.	54,349	9,822	Warner Music Group Corp. Class A	36,667	1,583			
* Southwest Airlines Co.	220,400	9,442	* Discovery Inc. Class A	60,704	1,429			
* Delta Air Lines Inc.	238,300	9,313	* Liberty Media Corp.-Liberty SiriusXM Class A	26,345	1,340			
* Chipotle Mexican Grill Inc.	4,948	8,650	Lennar Corp. Class B	6,899	660			
Best Buy Co. Inc.	82,330	8,365	ViacomCBS Inc. Class A	2,790	93			
* Ulta Beauty Inc.	20,272	8,359	News Corp. Class B	3,475	78			
* AutoZone Inc.	3,942	8,264			397,806			
* Hilton Worldwide Holdings Inc.	51,800	8,080	<b>Consumer Staples (4.0%)</b>					
* CarMax Inc.	60,277	7,850	Corteve Inc.	271,669	12,845			
Garmin Ltd.	57,246	7,795	Kroger Co.	248,904	11,265			
Domino's Pizza Inc.	13,559	7,652	Tyson Foods Inc. Class A	109,615	9,554			
* Take-Two Interactive Software Inc.	42,897	7,624	Church & Dwight Co. Inc.	90,830	9,310			
Genuine Parts Co.	52,983	7,428	McCormick & Co. Inc. (Non-Voting)	92,826	8,968			
* NVR Inc.	1,233	7,286	Clorox Co.	45,711	7,970			
Darden Restaurants Inc.	48,294	7,275	AmerisourceBergen Corp.	54,224	7,206			
* Burlington Stores Inc.	24,860	7,247	McKesson Corp.	28,400	7,059			
* Caesars Entertainment Inc.	75,600	7,071	Archer-Daniels-Midland Co.	104,100	7,036			
MGM Resorts International	148,196	6,651	Kellogg Co.	95,120	6,128			
ViacomCBS Inc. Class B	215,441	6,502	Conagra Brands Inc.	178,314	6,090			
* Live Nation Entertainment Inc.	54,319	6,501	J M Smucker Co.	38,280	5,199			
* Carnival Corp.	310,016	6,237	Hormel Foods Corp.	100,887	4,924			
* Royal Caribbean Cruises Ltd.	80,543	6,194	Campbell Soup Co.	72,958	3,171			
Omnicom Group Inc.	78,944	5,784	Lamb Weston Holdings Inc.	27,113	1,718			
Advance Auto Parts Inc.	23,186	5,562	* Molson Coors Beverage Co. Class B	33,508	1,553			
LKQ Corp.	92,138	5,531	Olaplex Holdings Inc.	24,258	707			
Whirlpool Corp.	22,616	5,307			110,703			
* United Airlines Holdings Inc.	120,204	5,263	<b>Energy (4.3%)</b>					
* Wayfair Inc. Class A	27,513	5,227	Pioneer Natural Resources Co.	81,695	14,859			
*,1 AMC Entertainment Holdings Inc. Class A	191,200	5,201	Valero Energy Corp.	152,100	11,424			
PulteGroup Inc.	89,428	5,112	Devon Energy Corp.	251,800	11,092			
Hasbro Inc.	48,688	4,955	ONEOK Inc.	165,882	9,747			
VF Corp.	65,685	4,809	Occidental Petroleum Corp.	330,000	9,567			
* Lyft Inc. Class A	104,998	4,487	Cheniere Energy Inc.	84,920	8,612			
Fox Corp. Class A	120,600	4,450	* Enphase Energy Inc.	45,200	8,269			
News Corp. Class A	186,921	4,170	Hess Corp.	103,636	7,672			
			Baker Hughes Co.	307,812	7,406			
			Marathon Petroleum Corp.	114,479	7,325			
			Halliburton Co.	316,255	7,233			

Mid-Cap Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Plug Power Inc.	214,300	6,050	* Hologic Inc.	93,489	7,158
Phillips 66	81,500	5,905	* Insulet Corp.	25,600	6,811
Williams Cos. Inc.	226,064	5,887	Viatrix Inc.	449,757	6,085
		<b>121,048</b>	* BioMarin Pharmaceutical Inc.	68,314	6,036
<b>Financials (11.2%)</b>			* Bio-Rad Laboratories Inc. Class A	7,853	5,933
MSCI Inc.	29,129	17,847	* ABIOMED Inc.	16,055	5,766
* SVB Financial Group	21,867	14,831	Teleflex Inc.	17,418	5,721
First Republic Bank	66,630	13,760	* Cardinal Health Inc.	104,723	5,392
Arthur J Gallagher & Co.	77,100	13,082	* Incyte Corp.	69,781	5,122
Discover Financial Services	109,032	12,600	* Exact Sciences Corp.	64,048	4,985
Ameriprise Financial Inc.	41,592	12,547	Zimmer Biomet Holdings Inc.	38,826	4,932
State Street Corp.	129,209	12,016	* Teladoc Health Inc.	53,600	4,922
Fifth Third Bancorp	254,366	11,078	Royalty Pharma plc Class A	119,804	4,774
Willis Towers Watson plc	46,367	11,012	* Elanco Animal Health Inc.	167,140	4,743
Nasdaq Inc.	43,526	9,141	* 10X Genomics Inc. Class A	30,700	4,573
American International Group Inc.	154,500	8,785	* DENTSPLY SIRONA Inc.	81,273	4,534
Northern Trust Corp.	73,430	8,783	* Henry Schein Inc.	51,590	4,000
Hartford Financial Services Group Inc.	126,612	8,741	* Charles River Laboratories International Inc.	9,400	3,542
Huntington Bancshares Inc.	538,033	8,296	Universal Health Services Inc. Class B	25,863	3,353
KeyCorp	346,236	8,008	* DaVita Inc.	22,728	2,586
Broadridge Financial Solutions Inc.	43,392	7,933	* agilon health Inc.	66,076	1,784
Regions Financial Corp.	354,493	7,728	* Novocure Ltd.	16,400	1,231
Citizens Financial Group Inc.	158,450	7,487	* GoodRx Holdings Inc. Class A	27,175	888
M&T Bank Corp.	47,886	7,354	* Oak Street Health Inc.	20,105	666
Principal Financial Group Inc.	98,564	7,129	*.1 Ginkgo Bioworks Holdings Inc.	66,307	551
Raymond James Financial Inc.	69,087	6,936			<b>310,237</b>
FactSet Research Systems Inc.	13,957	6,783	<b>Industrials (15.5%)</b>		
Cincinnati Financial Corp.	57,004	6,494	IHS Markit Ltd.	133,493	17,744
* Markel Corp.	5,084	6,274	Carrier Global Corp.	322,305	17,482
Ally Financial Inc.	128,808	6,133	* Mettler-Toledo International Inc.	8,556	14,521
* Arch Capital Group Ltd.	136,448	6,065	Cintas Corp.	32,681	14,483
Apollo Asset Management Inc.	82,500	5,976	* Keysight Technologies Inc.	67,620	13,964
MarketAxess Holdings Inc.	13,426	5,522	Old Dominion Freight Line Inc.	38,505	13,800
Fidelity National Financial Inc.	100,544	5,246	Verisk Analytics Inc.	59,921	13,706
Cboe Global Markets Inc.	39,670	5,173	Equifax Inc.	45,421	13,299
Equitable Holdings Inc.	150,513	4,935	* AMETEK Inc.	86,022	12,649
Loews Corp.	80,233	4,634	* TransDigm Group Inc.	19,492	12,402
Annaly Capital Management Inc.	539,790	4,221	* Zebra Technologies Corp. Class A	19,860	11,821
* Athene Holding Ltd. Class A	49,086	4,090	Ball Corp.	120,442	11,595
W R Berkley Corp.	49,256	4,058	PACCAR Inc.	116,273	10,262
Everest Re Group Ltd.	14,624	4,006	Vulcan Materials Co.	49,312	10,236
Tradeweb Markets Inc. Class A	39,100	3,915	* Martin Marietta Materials Inc.	23,216	10,227
Franklin Resources Inc.	111,947	3,749	Dover Corp.	53,543	9,723
Interactive Brokers Group Inc. Class A	32,950	2,617	Fortive Corp.	126,711	9,667
Lincoln National Corp.	31,936	2,180	Synchrony Financial	203,600	9,445
* Alleghany Corp.	2,397	1,600	Ingersoll Rand Inc.	151,612	9,380
Globe Life Inc.	16,907	1,585	* Bill.com Holdings Inc.	36,200	9,019
<sup>1</sup> UWM Holdings Corp. Class A	33,400	198	* United Rentals Inc.	26,978	8,965
		<b>310,548</b>	* Waters Corp.	22,728	8,469
<b>Health Care (11.1%)</b>			Expeditors International of Washington Inc.	63,018	8,463
* IQVIA Holdings Inc.	71,073	20,053	TransUnion	71,303	8,455
* Dexcom Inc.	36,093	19,380	WW Grainger Inc.	16,263	8,428
* Centene Corp.	217,060	17,886	* Generac Holdings Inc.	23,500	8,270
ResMed Inc.	54,184	14,114	* Trimble Inc.	93,304	8,135
* Veeva Systems Inc. Class A	51,538	13,167	Xylem Inc.	67,068	8,043
West Pharmaceutical Services Inc.	27,600	12,945	* Teledyne Technologies Inc.	17,400	7,602
* Laboratory Corp. of America Holdings	35,620	11,192	Rockwell Automation Inc.	21,574	7,526
* IDEXX Laboratories Inc.	15,806	10,408	Otis Worldwide Corp.	78,996	6,878
Cerner Corp.	109,448	10,164	Jacobs Engineering Group Inc.	47,980	6,680
PerkinElmer Inc.	46,900	9,430	* Affirm Holdings Inc. Class A	65,823	6,619
* Horizon Therapeutics plc	84,400	9,095	* FleetCor Technologies Inc.	28,657	6,415
STERIS plc	37,200	9,055	JB Hunt Transport Services Inc.	31,269	6,391
* Catalent Inc.	63,700	8,156	Masco Corp.	90,728	6,371
* Avantor Inc.	192,700	8,120	Textron Inc.	82,018	6,332
* Seagen Inc.	51,044	7,891	Westinghouse Air Brake Technologies Corp.	66,055	6,084
Quest Diagnostics Inc.	45,592	7,888	Stanley Black & Decker Inc.	30,300	5,715
Cooper Cos. Inc.	18,307	7,670	Fortune Brands Home & Security Inc.	50,476	5,396
* Alnylam Pharmaceuticals Inc.	44,433	7,535	Crown Holdings Inc.	47,563	5,262
			CH Robinson Worldwide Inc.	48,390	5,208



Mid-Cap Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Packaging Corp. of America	35,308	4,807	* Unity Software Inc.	63,798	9,122
Westrock Co.	98,503	4,370	* VeriSign Inc.	35,131	8,917
Snap-on Inc.	19,957	4,298	Seagate Technology Holdings plc	78,690	8,890
HEICO Corp. Class A	26,699	3,431	* Tyler Technologies Inc.	15,200	8,177
Cognex Corp.	31,241	2,429	Monolithic Power Systems Inc.	16,263	8,023
Jack Henry & Associates Inc.	13,760	2,298	* Paycom Software Inc.	18,992	7,885
HEICO Corp.	15,569	2,245	* AppLovin Corp. Class A	82,333	7,761
Hubbell Inc. Class B	10,132	2,110	Hewlett Packard Enterprise Co.	486,468	7,672
* Mohawk Industries Inc.	10,119	1,844	NetApp Inc.	83,180	7,652
Western Union Co.	74,926	1,337	* Pinterest Inc. Class A	209,304	7,608
* Marqeta Inc. Class A	25,897	445	* Western Digital Corp.	115,928	7,560
* Aurora Innovation Inc.	35,700	402	* Akamai Technologies Inc.	60,452	7,075
		<b>431,148</b>	* Splunk Inc.	60,087	6,953
<b>Real Estate (9.5%)</b>			SS&C Technologies Holdings Inc.	80,361	6,588
Digital Realty Trust Inc.	105,575	18,673	* Qorvo Inc.	40,978	6,409
SBA Communications Corp.	40,505	15,757	* Twitter Inc.	141,277	6,106
Realty Income Corp.	210,512	15,071	* Palantir Technologies Inc. Class A	319,120	5,811
Welltower Inc.	161,914	13,887	* ZoomInfo Technologies Inc. Class A	89,988	5,777
AvalonBay Communities Inc.	51,959	13,124	* RingCentral Inc. Class A	30,490	5,712
Alexandria Real Estate Equities Inc.	57,683	12,861	* NortonLifeLock Inc.	205,463	5,338
* CBRE Group Inc. Class A	118,319	12,839	* DocuSign Inc.	34,768	5,295
Equity Residential	132,536	11,994	* GoDaddy Inc. Class A	61,797	5,244
* CoStar Group Inc.	146,940	11,613	* Black Knight Inc.	54,885	4,549
Weyerhaeuser Co.	278,621	11,474	Citrix Systems Inc.	46,453	4,394
Extra Space Storage Inc.	49,792	11,289	* Coupa Software Inc.	27,600	4,362
Invitation Homes Inc.	222,074	10,069	* UiPath Inc. Class A	96,211	4,150
Mid-America Apartment Communities Inc.	42,838	9,829	* IAC/InterActiveCorp	29,670	3,878
Simon Property Group Inc.	61,133	9,767	Bentley Systems Inc. Class B	75,418	3,645
Sun Communities Inc.	44,388	9,320	* F5 Inc.	11,331	2,773
Duke Realty Corp.	141,699	9,301	* Dropbox Inc. Class A	109,486	2,687
Essex Property Trust Inc.	24,228	8,534	* Zendesk Inc.	22,500	2,347
Ventas Inc.	148,400	7,586	Leidos Holdings Inc.	26,100	2,320
Healthpeak Properties Inc.	200,409	7,233	* IPG Photonics Corp.	6,491	1,117
UDR Inc.	114,950	6,896	* Qualtrics International Inc. Class A	19,934	706
Camden Property Trust	38,030	6,795	* Bumble Inc. Class A	15,451	523
Boston Properties Inc.	52,274	6,021	* HashiCorp Inc. Class A	5,700	519
WP Carey Inc.	69,227	5,680	* Gitlab Inc. Class A	4,000	348
Iron Mountain Inc.	107,663	5,634	* Toast Inc. Class A	8,080	280
* Zillow Group Inc. Class C	62,600	3,997			<b>517,249</b>
* Opendoor Technologies Inc.	170,900	2,497	<b>Telecommunications (2.1%)</b>		
Regency Centers Corp.	31,799	2,396	* Motorola Solutions Inc.	62,831	17,071
* Host Hotels & Resorts Inc.	133,058	2,314	* Arista Networks Inc.	85,760	12,328
* Zillow Group Inc. Class A	16,000	996	* Roku Inc.	43,796	9,994
		<b>263,447</b>	* Liberty Broadband Corp. Class C	54,539	8,786
<b>Technology (18.6%)</b>			Lumen Technologies Inc.	380,587	4,776
* Synopsys Inc.	56,761	20,916	* DISH Network Corp. Class A	91,931	2,982
Xilinx Inc.	92,215	19,552	Juniper Networks Inc.	60,639	2,166
Amphenol Corp. Class A	222,452	19,456	* Liberty Broadband Corp. Class A	6,486	1,044
* Palo Alto Networks Inc.	34,866	19,412	* Altice USA Inc. Class A	39,477	639
* Cadence Design Systems Inc.	103,045	19,202			<b>59,786</b>
* Fortinet Inc.	51,670	18,570	<b>Utilities (5.8%)</b>		
Microchip Technology Inc.	206,378	17,967	Waste Connections Inc.	96,887	13,203
* Datadog Inc. Class A	90,900	16,190	American Water Works Co. Inc.	67,562	12,760
Marvell Technology Inc.	153,138	13,398	Eversource Energy	127,884	11,635
* EPAM Systems Inc.	20,000	13,369	WEC Energy Group Inc.	117,363	11,392
* Match Group Inc.	100,004	13,226	Consolidated Edison Inc.	131,539	11,223
* ANSYS Inc.	32,442	13,013	Edison International	141,441	9,653
* MongoDB Inc.	23,357	12,364	* PG&E Corp.	732,767	8,896
* Okta Inc.	54,877	12,302	Ameren Corp.	95,006	8,456
* Cloudflare Inc. Class A	91,700	12,059	Entergy Corp.	74,756	8,421
* HubSpot Inc.	16,700	11,008	FirstEnergy Corp.	202,478	8,421
* ON Semiconductor Corp.	160,200	10,881	PPL Corp.	279,167	8,392
Corning Inc.	285,645	10,635	DTE Energy Co.	64,896	7,758
CDW Corp.	50,462	10,334	CMS Energy Corp.	107,699	7,006
* Zscaler Inc.	31,300	10,058	CenterPoint Energy Inc.	233,795	6,525
Teradyne Inc.	60,600	9,910	Eergy Inc.	84,365	5,788
* Gartner Inc.	29,037	9,708	AES Corp.	235,423	5,720
Skyworks Solutions Inc.	61,529	9,546	Alliant Energy Corp.	92,998	5,717

Mid-Cap Index Portfolio

	Shares	Market Value* (\$000)
Vistra Corp.	179,626	4,090
NiSource Inc.	146,193	4,036
Avangrid Inc.	28,745	1,434
		<b>160,526</b>
<b>Total Common Stocks</b> <b>(Cost \$1,889,259)</b>		<b>2,776,768</b>
<b>Temporary Cash Investments (0.5%)</b>		
<b>Money Market Fund (0.5%)</b>		
<sup>2,3</sup> Vanguard Market Liquidity Fund, 0.090% <b>(Cost \$12,817)</b>	128,183	<b>12,817</b>
<b>Total Investments (100.3%)</b> <b>(Cost \$1,902,076)</b>		<b>2,789,585</b>
<b>Other Assets and Liabilities—Net (-0.3%)</b>		<b>(8,638)</b>
<b>Net Assets (100%)</b>		<b>2,780,947</b>

Cost is in \$000.

• See Note A in Notes to Financial Statements.

\* Non-income-producing security.

1 Includes partial security positions on loan to broker-dealers. The total value of securities on loan is \$6,420,000.

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

3 Collateral of \$6,989,000 was received for securities on loan.

**Derivative Financial Instruments Outstanding as of Period End**

Futures Contracts

	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation) (\$000)
<b>Long Futures Contracts</b>				
E-mini S&P 500 Index	March 2022	6	1,428	(4)
E-mini S&P Mid-Cap 400 Index	March 2022	13	3,689	111
				<b>107</b>

## Statement of Assets and Liabilities

As of December 31, 2021

(\$000s, except shares and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$1,889,259)	2,776,768
Affiliated Issuers (Cost \$12,817)	12,817
Total Investments in Securities	2,789,585
Investment in Vanguard	88
Cash	1,056
Cash Collateral Pledged—Futures Contracts	410
Receivables for Accrued Income	2,850
Receivables for Capital Shares Issued	841
<b>Total Assets</b>	<b>2,794,830</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	5,147
Collateral for Securities on Loan	6,989
Payables for Capital Shares Redeemed	1,544
Payables to Vanguard	203
Variation Margin Payable—Futures Contracts	—
<b>Total Liabilities</b>	<b>13,883</b>
<b>Net Assets</b>	<b>2,780,947</b>

At December 31, 2021, net assets consisted of:

Paid-in Capital	1,618,536
Total Distributable Earnings (Loss)	1,162,411
<b>Net Assets</b>	<b>2,780,947</b>
<b>Net Assets</b>	
Applicable to 94,341,242 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	2,780,947
<b>Net Asset Value Per Share</b>	<b>\$29.48</b>

## Statement of Operations

	Year Ended December 31, 2021
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends	30,393
Interest <sup>1</sup>	2
Securities Lending—Net	136
Total Income	30,531
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	383
Management and Administrative	3,658
Marketing and Distribution	154
Custodian Fees	55
Auditing Fees	31
Shareholders' Reports	42
Trustees' Fees and Expenses	1
Total Expenses	4,324
<b>Net Investment Income</b>	<b>26,207</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>1</sup>	248,953
Futures Contracts	989
<b>Realized Net Gain (Loss)</b>	<b>249,942</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>1</sup>	266,321
Futures Contracts	(22)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>266,299</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>542,448</b>

<sup>1</sup> Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$2,000, (\$2,000), less than \$1,000, and \$2,000, respectively. Purchases and sales are for temporary cash investment purposes.

## Statement of Changes in Net Assets

	Year Ended December 31,	
	2021 (\$000)	2020 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	26,207	29,290
Realized Net Gain (Loss)	249,942	163,685
Change in Unrealized Appreciation (Depreciation)	266,299	140,812
Net Increase (Decrease) in Net Assets Resulting from Operations	542,448	333,787
<b>Distributions</b>		
Total Distributions	(190,939)	(142,409)
<b>Capital Share Transactions</b>		
Issued	357,264	302,317
Issued in Lieu of Cash Distributions	190,939	142,409
Redeemed	(359,789)	(549,858)
Net Increase (Decrease) from Capital Share Transactions	188,414	(105,132)
Total Increase (Decrease)	539,923	86,246
<b>Net Assets</b>		
Beginning of Period	2,241,024	2,154,778
End of Period	2,780,947	2,241,024

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2021	2020	2019	2018	2017
<b>Net Asset Value, Beginning of Period</b>	<b>\$25.77</b>	<b>\$24.03</b>	<b>\$20.23</b>	<b>\$23.72</b>	<b>\$21.11</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.284	.325 <sup>2</sup>	.334	.343	.292
Net Realized and Unrealized Gain (Loss) on Investments	5.642	3.047	5.621	(2.386)	3.575
Total from Investment Operations	5.926	3.372	5.955	(2.043)	3.867
<b>Distributions</b>					
Dividends from Net Investment Income	(.318)	(.344)	(.350)	(.286)	(.270)
Distributions from Realized Capital Gains	(1.898)	(1.288)	(1.805)	(1.161)	(.987)
Total Distributions	(2.216)	(1.632)	(2.155)	(1.447)	(1.257)
<b>Net Asset Value, End of Period</b>	<b>\$29.48</b>	<b>\$25.77</b>	<b>\$24.03</b>	<b>\$20.23</b>	<b>\$23.72</b>
<b>Total Return</b>	<b>24.36%</b>	<b>18.07%</b>	<b>30.87%</b>	<b>-9.33%</b>	<b>19.08%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$2,781	\$2,241	\$2,155	\$1,621	\$1,804
Ratio of Total Expenses to Average Net Assets	0.17%	0.17%	0.17%	0.17%	0.19%
Ratio of Net Investment Income to Average Net Assets	1.03%	1.50% <sup>2</sup>	1.49%	1.49%	1.32%
Portfolio Turnover Rate	20%	28%	21%	21%	18%

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

<sup>2</sup> Net investment income per share and the ratio of net investment income to average net assets include \$0.036 and 0.17%, respectively, resulting from a special dividend from NortonLifeLock Inc. in February 2020.

## Notes to Financial Statements

The Mid-Cap Index Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect assets of the portfolio and thus portfolio performance.

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

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

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

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

During the year ended December 31, 2021, the portfolio's average investments in long and short futures contracts represented less than 1% and 0% of net assets, respectively, based on the average of the notional amounts at each quarter-end during the period.

3. Federal Income Taxes: The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. 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 \$4.3 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes, subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate (or an acceptable alternate rate, if necessary), federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread, except that borrowings under the uncommitted credit facility may bear interest based upon an alternative 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, 2021, 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. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees 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, 2021, the portfolio had contributed to Vanguard capital in the amount of \$88,000, representing less than 0.01% of the portfolio's net assets and 0.04% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.



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

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

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

**Level 3**—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments and derivatives valued with significant unobservable inputs are noted on the Schedule of Investments.

At December 31, 2021, 100% of the market value of the portfolio's investments and derivatives was determined based on Level 1 inputs.

D. Permanent differences between book-basis and tax-basis components of net assets 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. As of period end, permanent differences primarily attributable to the accounting for passive foreign investment companies were reclassified between the individual components of total distributable earnings (loss).

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; the recognition of unrealized gains or losses from certain derivative contracts; and the recognition of unrealized gains from passive foreign investment companies. 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	54,272
Undistributed Long-Term Gains	221,243
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	886,896

The tax character of distributions paid was as follows:

	Year Ended December 31,	
	2021 Amount (\$000)	2020 Amount (\$000)
Ordinary Income*	46,656	31,056
Long-Term Capital Gains	144,283	111,353
Total	190,939	142,409

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

As of December 31, 2021, gross unrealized appreciation and depreciation for investments and derivatives based on cost for U.S. federal income tax purposes were as follows:

	Amount (\$000)
Tax Cost	1,902,689
Gross Unrealized Appreciation	985,028
Gross Unrealized Depreciation	(98,132)
Net Unrealized Appreciation (Depreciation)	886,896

E. During the year ended December 31, 2021, the portfolio purchased \$534,824,000 of investment securities and sold \$508,966,000 of investment securities, other than temporary cash investments.

The portfolio purchased securities from and sold securities to other Vanguard funds or accounts managed by Vanguard or its affiliates, in accordance with procedures adopted by the board of trustees in compliance with Rule 17a-7 of the Investment Company Act of 1940. For the year ended December 31, 2021, such purchases were \$82,700,000 and sales were \$124,946,000, resulting in

net realized gain of \$57,390,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

F. Capital shares issued and redeemed were:

	Year Ended December 31,	
	2021 Shares (000)	2020 Shares (000)
Issued	12,978	14,451
Issued in Lieu of Cash Distributions	7,500	8,812
Redeemed	(13,103)	(25,982)
Net Increase (Decrease) in Shares Outstanding	7,375	(2,719)

At December 31, 2021, one shareholder, (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record or beneficial owner of 37% 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.

G. Management has determined that no events or transactions occurred subsequent to December 31, 2021, 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 Mid-Cap Index Portfolio

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Mid-Cap Index Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2021, the related statement of operations for the year ended December 31, 2021, the statement of changes in net assets for each of the two years in the period ended December 31, 2021, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2021 (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, 2021, 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, 2021 and the financial highlights for each of the five years in the period ended December 31, 2021 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, 2021 by correspondence with the custodian, transfer agent and brokers; when replies were not received from the transfer agent or 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, 2022

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

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**Special 2021 tax information (unaudited) for corporate shareholders only for Mid-Cap Index Portfolio, a portfolio of Vanguard Variable Insurance Funds**

This information for the fiscal year ended December 31, 2021, is included pursuant to provisions of the Internal Revenue Code for corporate shareholders only.

The portfolio distributed \$144,283,000 as capital gain dividend (20% rate gain distributions) to shareholders during the fiscal year.

For corporate shareholders, 44.3% of investment income (dividend income plus short-term gains, if any) qualifies for the dividends-received deduction.

The CRSP US Mid Cap Index (the "Index") is a product of the Center for Research in Security Prices, LLC ("CRSP"), an affiliate of the University of Chicago ("University"), and has been licensed for use by Vanguard. CRSP® is a trademark of CRSP; and has been licensed by CRSP for use for certain purposes by Vanguard. The Vanguard Mid-Cap Index Portfolio is not sponsored, endorsed, sold or promoted by CRSP or University. Neither CRSP nor University makes any representation or warranty, express or implied, to the owners of the Vanguard Mid-Cap Index Portfolio or any member of the public regarding the advisability of investing in securities generally or in Vanguard Mid-Cap Index Portfolio particularly or the ability of the Index to track general market performance. The Index is determined, composed and calculated without regard to Vanguard or the Vanguard Mid-Cap Index Portfolio. Neither CRSP nor the University has any obligation to take the needs of Vanguard or the owners of Vanguard Mid-Cap Index Portfolio into consideration in determining, composing or calculating the Index. Neither CRSP nor the University is responsible for and has not participated in the determination of the prices and amount of Vanguard Mid-Cap Index Portfolio or the timing of the issuance or sale of Vanguard Mid-Cap Index Portfolio or in the determination or calculation of the equation by which Vanguard Mid-Cap Index Portfolio is to be converted into cash, surrendered or redeemed, as the case may be. Neither CRSP nor the University has any obligation or liability in connection with the administration, marketing or trading of Vanguard Mid-Cap Index Portfolio. There is no assurance that investment products based on the Index will accurately track index performance or provide positive investment returns. Neither CRSP nor the University is an investment advisor. Inclusion of a security within an index is not a recommendation by CRSP or the University to buy, sell, or hold such security, nor is it considered to be investment advice.

NEITHER CRSP NOR THE UNIVERSITY GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. NEITHER CRSP NOR THE UNIVERSITY SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. NEITHER CRSP NOR THE UNIVERSITY MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND CRSP AND THE UNIVERSITY EXPRESSLY DISCLAIM ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY VANGUARD, OWNERS OF THE VANGUARD MID-CAP INDEX PORTFOLIO, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL CRSP OR THE UNIVERSITY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN CRSP AND VANGUARD, OTHER THAN THE LICENSORS, IF ANY, OF CRSP.

# 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 217 Vanguard funds.

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

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

### Mortimer J. Buckley

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

### Amy Gutmann

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

### F. Joseph Loughrey

Born in 1949. Trustee since October 2009. Principal occupation(s) during the past five years and other experience: president and chief operating officer (retired 2009) and vice chairman of the board (2008–2009) of Cummins Inc. (industrial machinery). Chairman of the board of Hillenbrand, Inc. (specialized consumer services). 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).

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

**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.

**Executive Officers****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–present) of each of the investment companies served by Vanguard. Partner (2005–2017) at KPMG (audit, tax, and advisory services).

**David Cermak**

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

**John Galloway**

Born in 1973. Principal occupation(s) during the past five years and other experience: principal of Vanguard. Investment stewardship officer (September 2020–present) of each of the investment companies served by Vanguard. Head of Investor Advocacy (February 2020–present) and head of Marketing Strategy and Planning (2017–2020) at Vanguard. Special assistant to the President of the United States (2015).

**Peter Mahoney**

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

**Anne E. Robinson**

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

**Michael Rollings**

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

**John E. Schabl**

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

**Vanguard Senior Management Team**

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

Thomas M. Rampulla  
Karin A. Risi  
Anne E. Robinson  
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