

**Annual Report** | December 31, 2022

# Vanguard Variable Insurance Funds

Equity Index Portfolio

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## Your Portfolio's Performance at a Glance

- Despite some relief in midsummer and late fall, the 12 months ended December 31, 2022, were a volatile, challenging period for financial markets. The Equity Index Portfolio returned -18.23%, in line with the -18.11% return of its benchmark, the Standard & Poor's 500 Index.
- Overall, the economic backdrop deteriorated as inflation soared to multidecade highs, driven by government spending during the pandemic as well as higher energy and food prices in the wake of Russia's invasion of Ukraine. That prompted aggressive tightening by many central banks to bring inflation back in check, which increased fears of recession.
- Value stocks held up better than their growth counterparts during the period. Among sectors in the benchmark index, steep declines in information technology and consumer discretionary stocks were partly offset by robust gains in energy stocks.
- For the decade through 2022, the portfolio had an annualized total return of 12.40%, in line with its benchmark.
- Please note that the portfolio 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, 2022		
	One Year	Three Years	Five Years
<b>Stocks</b>			
Russell 1000 Index (Large-caps)	-19.13%	7.35%	9.13%
Russell 2000 Index (Small-caps)	-20.44	3.10	4.13
Russell 3000 Index (Broad U.S. market)	-19.21	7.07	8.79
FTSE All-World ex US Index (International)	-15.49	0.61	1.28
<b>Bonds</b>			
Bloomberg U.S. Aggregate Float Adjusted Index (Broad taxable market)	-13.07%	-2.67%	0.06%
Bloomberg Municipal Bond Index (Broad tax-exempt market)	-8.53	-0.77	1.25
FTSE Three-Month U.S. Treasury Bill Index	1.50	0.70	1.24
<b>CPI</b>			
Consumer Price Index	6.45%	4.92%	3.78%

## About Your Portfolio's Expenses

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

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

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

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

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

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

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

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

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

### Six Months Ended December 31, 2022

Equity Index Portfolio	Beginning Account Value 6/30/2022	Ending Account Value 12/31/2022	Expenses Paid During Period
Based on Actual Portfolio Return	\$1,000.00	\$1,022.40	\$0.71
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.50	0.71

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 0.14%. 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).

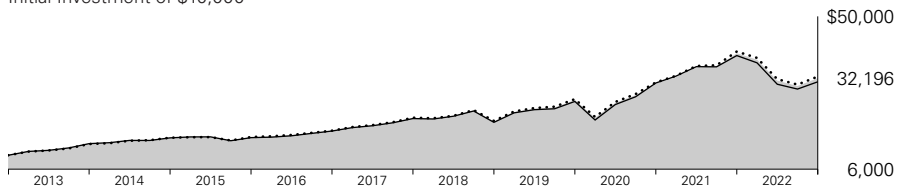
# Equity Index Portfolio

## 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, 2012, Through December 31, 2022

Initial Investment of \$10,000



Average Annual Total Returns  
Periods Ended December 31, 2022

	One Year	Five Years	Ten Years	Final Value of a \$10,000 Investment
Equity Index Portfolio	-18.23%	9.27%	12.40%	\$32,196
S&P 500 Index	-18.11	9.42	12.56	32,654
Dow Jones U.S. Total Stock Market Float Adjusted Index	-19.53	8.65	12.03	31,151

## Portfolio Allocation

As of December 31, 2022

Communication Services	7.3%
Consumer Discretionary	9.8
Consumer Staples	7.2
Energy	5.2
Financials	11.7
Health Care	15.8
Industrials	8.7
Information Technology	25.7
Materials	2.7
Real Estate	2.7
Utilities	3.2

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

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.

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

# Financial Statements

## Schedule of Investments

As of December 31, 2022

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

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
<b>Common Stocks (99.4%)</b>					
<b>Communication Services (7.2%)</b>					
* Alphabet Inc. Class A	1,403,705	123,849	* Las Vegas Sands Corp.	77,254	3,714
* Alphabet Inc. Class C	1,243,382	110,325	* Etsy Inc.	29,521	3,536
* Meta Platforms Inc. Class A	528,264	63,571	Garmin Ltd.	36,076	3,329
Verizon Communications Inc.	986,630	38,873	* NVR Inc.	706	3,256
Walt Disney Co.	428,269	37,208	LKQ Corp.	59,695	3,188
Comcast Corp. Class A	1,013,400	35,439	* Expedia Group Inc.	35,395	3,101
* Netflix Inc.	104,544	30,828	Domino's Pizza Inc.	8,331	2,886
AT&T Inc.	1,674,308	30,824	Pool Corp.	9,191	2,779
* T-Mobile US Inc.	140,300	19,642	* Royal Caribbean Cruises Ltd.	51,685	2,555
Activision Blizzard Inc.	167,270	12,804	MGM Resorts International	75,075	2,517
* Charter Communications Inc. Class A	25,246	8,561	PulteGroup Inc.	53,347	2,429
Electronic Arts Inc.	61,658	7,533	* CarMax Inc.	37,141	2,261
* Warner Bros Discovery Inc.	519,095	4,921	Bath & Body Works Inc.	53,608	2,259
Omnicom Group Inc.	47,947	3,911	BorgWarner Inc.	54,822	2,207
* Take-Two Interactive Software Inc.	37,084	3,862	Tapestry Inc.	56,449	2,150
Interpublic Group of Cos. Inc.	91,284	3,041	VF Corp.	77,648	2,144
* Match Group Inc.	65,764	2,729	* Caesars Entertainment Inc.	50,460	2,099
* Live Nation Entertainment Inc.	33,451	2,333	Advance Auto Parts Inc.	14,102	2,073
Fox Corp. Class A	70,965	2,155	* Wynn Resorts Ltd.	24,175	1,994
Paramount Global Class B	118,614	2,002	* Carnival Corp.	234,450	1,890
News Corp. Class A	90,106	1,640	Hasbro Inc.	30,558	1,864
Lumen Technologies Inc.	222,938	1,164	Whirlpool Corp.	12,832	1,815
Fox Corp. Class B	33,014	939	* Mohawk Industries Inc.	12,368	1,264
* DISH Network Corp. Class A	58,816	826	* Norwegian Cruise Line Holdings Ltd.	98,815	1,209
News Corp. Class B	27,360	504	Newell Brands Inc.	88,310	1,155
			Ralph Lauren Corp. Class A	9,631	1,018
			Lennar Corp. Class B	1,025	77
		<b>549,484</b>			<b>739,484</b>
<b>Consumer Discretionary (9.7%)</b>			<b>Consumer Staples (7.2%)</b>		
* Amazon.com Inc.	3,205,067	175,146	Procter & Gamble Co.	556,719	84,376
* Tesla Inc.	630,567	77,673	PepsiCo Inc.	323,656	58,472
Home Depot Inc.	240,503	75,965	Coca-Cola Co.	914,335	58,161
McDonald's Corp.	172,060	45,343	Costco Wholesale Corp.	103,975	47,465
NIKE Inc. Class B	295,949	34,629	Walmart Inc.	331,565	47,013
Lowe's Cos. Inc.	145,820	29,053	Philip Morris International Inc.	364,159	36,856
Starbucks Corp.	269,661	26,750	Mondelez International Inc. Class A	320,733	21,377
TJX Cos. Inc.	272,771	21,713	Altria Group Inc.	420,959	19,242
* Booking Holdings Inc.	9,112	18,363	Colgate-Palmolive Co.	196,202	15,459
Target Corp.	108,131	16,116	Estee Lauder Cos. Inc. Class A	54,328	13,479
Dollar General Corp.	52,994	13,050	Archer-Daniels-Midland Co.	129,034	11,981
* O'Reilly Automotive Inc.	14,701	12,408	General Mills Inc.	139,409	11,689
General Motors Co.	333,802	11,229	Kimberly-Clark Corp.	79,273	10,761
* AutoZone Inc.	4,459	10,997	Sysco Corp.	119,049	9,101
Ford Motor Co.	927,935	10,792	* Monster Beverage Corp.	89,489	9,086
Ross Stores Inc.	81,542	9,465	Constellation Brands Inc. Class A	38,144	8,840
Marriott International Inc. Class A	63,218	9,413	Hershey Co.	34,543	7,999
* Chipotle Mexican Grill Inc. Class A	6,514	9,038	Kraft Heinz Co.	187,178	7,620
Yum! Brands Inc.	66,191	8,478	Keurig Dr Pepper Inc.	199,785	7,124
Hilton Worldwide Holdings Inc.	63,573	8,033	Kroger Co.	153,191	6,829
* Dollar Tree Inc.	49,425	6,991	Walgreens Boots Alliance Inc.	168,450	6,293
DR Horton Inc.	73,461	6,548	McCormick & Co. Inc. (Non-Voting)	58,859	4,879
* Aptiv plc	63,600	5,923	Church & Dwight Co. Inc.	57,283	4,617
Tractor Supply Co.	25,956	5,839	Conagra Brands Inc.	112,506	4,354
Genuine Parts Co.	33,133	5,749	Kellogg Co.	60,145	4,285
* Ulta Beauty Inc.	12,026	5,641	Tyson Foods Inc. Class A	68,063	4,237
Lennar Corp. Class A	58,982	5,338	Clorox Co.	28,994	4,069
eBay Inc.	127,435	5,285	J M Smucker Co.	25,065	3,972
Darden Restaurants Inc.	28,702	3,970	Hormel Foods Corp.	68,118	3,103
Best Buy Co. Inc.	47,095	3,777	Lamb Weston Holdings Inc.	33,862	3,026

Equity Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Brown-Forman Corp. Class B	42,861	2,815	* Arch Capital Group Ltd.	86,836	5,452
Campbell Soup Co.	47,193	2,678	Fifth Third Bancorp	161,178	5,288
Molson Coors Beverage Co. Class B	44,053	2,270	First Republic Bank	42,956	5,236
		<b>543,528</b>	Nasdaq Inc.	79,624	4,885
<b>Energy (5.2%)</b>			Raymond James Financial Inc.	45,414	4,853
Exxon Mobil Corp.	967,488	106,714	Huntington Bancshares Inc.	338,875	4,778
Chevron Corp.	417,916	75,012	Regions Financial Corp.	219,503	4,733
ConocoPhillips	292,719	34,541	Citizens Financial Group Inc.	115,502	4,547
EOG Resources Inc.	137,979	17,871	Principal Financial Group Inc.	53,456	4,486
Schlumberger Ltd.	333,133	17,809	Northern Trust Corp.	48,993	4,335
Marathon Petroleum Corp.	110,083	12,813	KeyCorp	219,299	3,820
Pioneer Natural Resources Co.	55,812	12,747	Cincinnati Financial Corp.	36,941	3,782
Phillips 66	111,017	11,555	FactSet Research Systems Inc.	8,958	3,594
Valero Energy Corp.	90,559	11,488	Synchrony Financial	105,967	3,482
Occidental Petroleum Corp.	170,821	10,760	W R Berkley Corp.	47,934	3,479
Devon Energy Corp.	153,592	9,447	* SVB Financial Group	13,857	3,189
Williams Cos. Inc.	286,132	9,414	Brown & Brown Inc.	55,294	3,150
Hess Corp.	65,207	9,248	Cboe Global Markets Inc.	24,873	3,121
Kinder Morgan Inc.	464,837	8,404	Everest Re Group Ltd.	9,201	3,048
Halliburton Co.	213,398	8,397	Loews Corp.	46,377	2,705
Baker Hughes Co. Class A	235,001	6,940	Globe Life Inc.	21,207	2,557
ONEOK Inc.	104,890	6,891	MarketAxess Holdings Inc.	8,828	2,462
Diamondback Energy Inc.	41,319	5,652	Comerica Inc.	30,822	2,060
Coterra Energy Inc.	185,226	4,551	Invesco Ltd.	107,121	1,927
Marathon Oil Corp.	149,255	4,040	Franklin Resources Inc.	66,976	1,767
Targa Resources Corp.	53,257	3,914	Zions Bancorp NA	35,260	1,733
APA Corp.	75,607	3,529	Signature Bank	14,854	1,712
EQT Corp.	86,346	2,921	Assurant Inc.	12,428	1,554
		<b>394,658</b>	Lincoln National Corp.	36,133	1,110
<b>Financials (11.6%)</b>					<b>880,407</b>
* Berkshire Hathaway Inc. Class B	423,267	130,747	<b>Health Care (15.7%)</b>		
JPMorgan Chase & Co.	689,091	92,407	UnitedHealth Group Inc.	219,504	116,377
Bank of America Corp.	1,639,688	54,306	Johnson & Johnson	614,221	108,502
Wells Fargo & Co.	895,196	36,963	Eli Lilly & Co.	185,275	67,781
Charles Schwab Corp.	358,333	29,835	Pfizer Inc.	1,318,723	67,571
Goldman Sachs Group Inc.	79,547	27,315	AbbVie Inc.	415,463	67,143
Morgan Stanley	309,685	26,329	Merck & Co. Inc.	595,635	66,086
S&P Global Inc.	78,230	26,202	Thermo Fisher Scientific Inc.	92,137	50,739
BlackRock Inc.	35,284	25,003	Abbott Laboratories	409,593	44,969
Chubb Ltd.	97,515	21,512	Danaher Corp.	153,915	40,852
American Express Co.	140,438	20,750	Bristol-Myers Squibb Co.	499,490	35,938
Citigroup Inc.	455,007	20,580	Amgen Inc.	125,349	32,922
Marsh & McLennan Cos. Inc.	116,538	19,285	Elevance Health Inc.	56,106	28,781
Progressive Corp.	137,454	17,829	CVS Health Corp.	308,683	28,766
PNC Financial Services Group Inc.	94,752	14,965	Gilead Sciences Inc.	294,653	25,296
Aon plc Class A	48,595	14,585	Medtronic plc	312,227	24,266
CME Group Inc.	84,506	14,211	Cigna Corp.	71,823	23,798
US Bancorp	317,639	13,852	* Intuitive Surgical Inc.	83,014	22,028
Intercontinental Exchange Inc.	131,215	13,461	Stryker Corp.	79,114	19,343
Truist Financial Corp.	311,692	13,412	* Regeneron Pharmaceuticals Inc.	25,157	18,151
MetLife Inc.	154,843	11,206	* Vertex Pharmaceuticals Inc.	60,303	17,414
American International Group Inc.	174,527	11,037	Becton Dickinson & Co.	66,989	17,035
Travelers Cos. Inc.	55,055	10,322	Zoetis Inc. Class A	109,494	16,046
Moody's Corp.	37,010	10,312	* Boston Scientific Corp.	336,430	15,567
Aflac Inc.	132,930	9,563	Humana Inc.	29,740	15,233
Arthur J Gallagher & Co.	49,537	9,340	* Moderna Inc.	77,618	13,942
MSCI Inc. Class A	18,788	8,740	McKesson Corp.	33,310	12,495
Prudential Financial Inc.	86,463	8,600	HCA Healthcare Inc.	49,810	11,952
Allstate Corp.	62,322	8,451	* Centene Corp.	133,024	10,909
Capital One Financial Corp.	89,704	8,339	* Edwards Lifesciences Corp.	145,220	10,835
Bank of New York Mellon Corp.	172,895	7,870	Agilent Technologies Inc.	69,551	10,408
Ameriprise Financial Inc.	25,015	7,789	* Dexcom Inc.	90,740	10,275
State Street Corp.	86,305	6,695	* Biogen Inc.	33,837	9,370
Discover Financial Services	64,141	6,275	* IQVIA Holdings Inc.	43,645	8,942
Willis Towers Watson plc	25,404	6,213	* IDEXX Laboratories Inc.	19,452	7,936
M&T Bank Corp.	40,522	5,878	* Mettler-Toledo International Inc.	5,241	7,576
T. Rowe Price Group Inc.	52,461	5,721	* Illumina Inc.	36,982	7,478
Hartford Financial Services Group Inc.	74,665	5,662	ResMed Inc.	34,441	7,168
			AmerisourceBergen Corp.	38,009	6,298



Equity Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
Zimmer Biomet Holdings Inc.	49,252	6,280	* Delta Air Lines Inc.	150,549	4,947
Baxter International Inc.	118,330	6,031	Quanta Services Inc.	33,588	4,786
Laboratory Corp. of America Holdings	20,810	4,900	* Southwest Airlines Co.	139,399	4,694
* Waters Corp.	13,952	4,780	Xylem Inc.	42,346	4,682
Cardinal Health Inc.	61,562	4,732	Dover Corp.	32,971	4,465
* Molina Healthcare Inc.	13,719	4,530	Westinghouse Air Brake Technologies Corp.	42,728	4,265
* Hologic Inc.	58,698	4,391	IDEX Corp.	17,735	4,049
STERIS plc	23,478	4,336	Expeditors International of Washington Inc.	37,400	3,887
Quest Diagnostics Inc.	26,764	4,187	Jacobs Solutions Inc.	29,999	3,602
PerkinElmer Inc.	29,655	4,158	Textron Inc.	49,090	3,476
West Pharmaceutical Services Inc.	17,394	4,094	Howmet Aerospace Inc.	86,460	3,407
Cooper Cos. Inc.	11,600	3,836	JB Hunt Transport Services Inc.	19,500	3,400
* Align Technology Inc.	17,079	3,602	Leidos Holdings Inc.	32,144	3,381
* Incyte Corp.	43,423	3,488	Nordson Corp.	12,597	2,995
Viatrix Inc.	284,299	3,164	* United Airlines Holdings Inc.	76,946	2,901
Bio-Techne Corp.	36,806	3,051	Snap-on Inc.	12,453	2,845
Teleflex Inc.	11,020	2,751	Stanley Black & Decker Inc.	34,835	2,617
* Charles River Laboratories International Inc.	11,949	2,604	CH Robinson Worldwide Inc.	27,724	2,538
* Henry Schein Inc.	31,927	2,550	Masco Corp.	52,863	2,467
Universal Health Services Inc. Class B	15,128	2,131	Allegion plc	20,566	2,165
* Bio-Rad Laboratories Inc. Class A	5,042	2,120	Huntington Ingalls Industries Inc.	9,367	2,161
* Catalent Inc.	42,146	1,897	Rollins Inc.	54,366	1,987
Organon & Co.	59,648	1,666	* American Airlines Group Inc.	152,185	1,936
DENTSPLY SIRONA Inc.	50,686	1,614	Robert Half International Inc.	25,488	1,882
* DaVita Inc.	12,890	963	Pentair plc	38,504	1,732
			A O Smith Corp.	29,699	1,700
		<b>1,194,044</b>	* Generac Holdings Inc.	14,958	1,506
<b>Industrials (8.6%)</b>			* Alaska Air Group Inc.	29,791	1,279
Raytheon Technologies Corp.	345,349	34,853			<b>653,175</b>
Honeywell International Inc.	157,933	33,845	<b>Information Technology (25.6%)</b>		
Union Pacific Corp.	144,429	29,907	Apple Inc.	3,512,970	456,439
United Parcel Service Inc. Class B	171,421	29,800	Microsoft Corp.	1,751,241	419,983
Caterpillar Inc.	122,254	29,287	NVIDIA Corp.	584,962	85,486
Deere & Co.	64,523	27,665	Visa Inc. Class A	384,104	79,801
Lockheed Martin Corp.	54,791	26,655	Mastercard Inc. Class A	199,423	69,345
* Boeing Co.	131,606	25,070	Broadcom Inc.	95,146	53,199
General Electric Co.	256,685	21,508	Cisco Systems Inc.	964,543	45,951
Northrop Grumman Corp.	33,985	18,543	Accenture plc Class A	148,019	39,497
3M Co.	129,835	15,570	* Adobe Inc.	109,212	36,753
CSX Corp.	493,879	15,300	Texas Instruments Inc.	213,209	35,226
Eaton Corp. plc	93,418	14,662	* Salesforce Inc.	234,913	31,147
Illinois Tool Works Inc.	65,671	14,467	International Business Machines Corp.	212,391	29,924
Waste Management Inc.	87,755	13,767	Oracle Corp.	361,010	29,509
Norfolk Southern Corp.	54,385	13,402	QUALCOMM Inc.	263,347	28,952
Emerson Electric Co.	138,890	13,342	Intuit Inc.	66,212	25,771
General Dynamics Corp.	52,876	13,119	Intel Corp.	969,514	25,624
Johnson Controls International plc	161,829	10,357	* Advanced Micro Devices Inc.	378,772	24,533
FedEx Corp.	56,238	9,740	Automatic Data Processing Inc.	97,447	23,276
L3Harris Technologies Inc.	44,755	9,318	Analog Devices Inc.	120,825	19,819
Cintas Corp.	20,279	9,158	Applied Materials Inc.	202,100	19,681
Trane Technologies plc	54,128	9,098	* PayPal Holdings Inc.	267,811	19,074
Parker-Hannifin Corp.	30,173	8,780	* ServiceNow Inc.	47,451	18,424
Carrier Global Corp.	196,558	8,108	* Fiserv Inc.	149,165	15,076
PACCAR Inc.	81,732	8,089	Lam Research Corp.	32,037	13,465
Cummins Inc.	33,144	8,030	Micron Technology Inc.	255,393	12,765
Otis Worldwide Corp.	97,920	7,668	KLA Corp.	33,289	12,551
TransDigm Group Inc.	12,144	7,647	* Synopsys Inc.	35,917	11,468
AMETEK Inc.	53,998	7,545	Roper Technologies Inc.	24,912	10,764
* CoStar Group Inc.	95,614	7,389	Amphenol Corp. Class A	139,785	10,643
Rockwell Automation Inc.	26,973	6,947	* Cadence Design Systems Inc.	64,441	10,352
Verisk Analytics Inc. Class A	36,767	6,486	Motorola Solutions Inc.	39,281	10,123
Fastenal Co.	134,651	6,372	NXP Semiconductors NV	60,888	9,622
Republic Services Inc. Class A	48,203	6,218	* Autodesk Inc.	50,716	9,477
* Copart Inc.	100,578	6,124	Fidelity National Information Services Inc.	139,390	9,458
Old Dominion Freight Line Inc.	21,264	6,034	Microchip Technology Inc.	129,259	9,080
VWV Grainger Inc.	10,557	5,872	Paychex Inc.	75,365	8,709
* United Rentals Inc.	16,272	5,783	TE Connectivity Ltd.	74,741	8,580
Equifax Inc.	28,747	5,587	* Enphase Energy Inc.	31,942	8,463
Fortive Corp.	83,141	5,342	* Fortinet Inc.	152,431	7,452
Ingersoll Rand Inc.	95,093	4,969			

## Equity Index Portfolio

	Shares	Market Value* (\$000)		Shares	Market Value* (\$000)
* Keysight Technologies Inc.	42,035	7,191	Westrock Co.	59,693	2,099
* Arista Networks Inc.	58,200	7,063	Sealed Air Corp.	34,050	1,698
Cognizant Technology Solutions Corp. Class A	120,605	6,897			<b>206,344</b>
* ON Semiconductor Corp.	101,484	6,330	<b>Real Estate (2.7%)</b>		
Global Payments Inc.	63,474	6,304	Prologis Inc.	216,845	24,445
* Gartner Inc.	18,549	6,235	American Tower Corp.	109,373	23,172
Corning Inc.	178,694	5,708	Equinix Inc.	21,738	14,239
CDW Corp.	31,782	5,676	Crown Castle Inc.	101,719	13,797
HP Inc.	207,831	5,584	Public Storage	37,129	10,403
* ANSYS Inc.	20,459	4,943	Realty Income Corp.	147,314	9,344
Hewlett Packard Enterprise Co.	302,228	4,824	Simon Property Group Inc.	76,815	9,024
VeriSign Inc.	21,671	4,452	VICI Properties Inc.	226,427	7,336
* EPAM Systems Inc.	13,512	4,428	Welltower Inc.	111,095	7,282
* Teledyne Technologies Inc.	11,015	4,405	SBA Communications Corp. Class A	25,386	7,116
* SolarEdge Technologies Inc.	13,142	3,723	Digital Realty Trust Inc.	67,469	6,765
Broadridge Financial Solutions Inc.	27,660	3,710	* CBRE Group Inc. Class A	74,180	5,709
Monolithic Power Systems Inc.	10,485	3,708	Weyerhaeuser Co.	173,071	5,365
* Paycom Software Inc.	11,430	3,547	AvalonBay Communities Inc.	32,843	5,305
* First Solar Inc.	23,311	3,492	Alexandria Real Estate Equities Inc.	35,062	5,108
Skyworks Solutions Inc.	37,688	3,435	Equity Residential	79,875	4,713
Teradyne Inc.	36,668	3,203	Extra Space Storage Inc.	31,458	4,630
* FleetCor Technologies Inc.	17,350	3,187	Mid-America Apartment Communities Inc.	27,145	4,262
* Tyler Technologies Inc.	9,760	3,147	Ventas Inc.	94,008	4,235
* Akamai Technologies Inc.	36,979	3,117	Invitation Homes Inc.	136,485	4,045
* Zebra Technologies Corp. Class A	12,108	3,105	Iron Mountain Inc.	68,370	3,408
NetApp Inc.	51,146	3,072	Essex Property Trust Inc.	15,223	3,226
Jack Henry & Associates Inc.	17,165	3,014	Healthpeak Properties Inc.	126,454	3,170
* PTC Inc.	24,879	2,986	Kimco Realty Corp.	144,971	3,071
* Trimble Inc.	57,870	2,926	Camden Property Trust	24,990	2,796
Gen Digital Inc.	136,448	2,924	UDR Inc.	72,011	2,789
Juniper Networks Inc.	76,455	2,444	Host Hotels & Resorts Inc.	167,569	2,690
Seagate Technology Holdings plc	45,241	2,380	Boston Properties Inc.	33,552	2,268
* Western Digital Corp.	74,854	2,362	Regency Centers Corp.	36,051	2,253
* Ceridian HCM Holding Inc.	36,200	2,322	Federal Realty Investment Trust	17,136	1,731
* Qorvo Inc.	23,739	2,152	Vornado Realty Trust	37,971	790
* F5 Inc.	14,014	2,011			<b>204,487</b>
* DXC Technology Co.	54,319	1,439	<b>Utilities (3.2%)</b>		
		<b>1,942,908</b>	NextEra Energy Inc.	466,838	39,028
<b>Materials (2.7%)</b>			Duke Energy Corp.	180,905	18,631
Linde plc	116,137	37,882	Southern Co.	255,749	18,263
Air Products and Chemicals Inc.	52,099	16,060	Dominion Energy Inc.	195,703	12,000
Sherwin-Williams Co.	55,394	13,147	American Electric Power Co. Inc.	120,692	11,460
Freeport-McMoRan Inc.	335,708	12,757	Sempra Energy	73,821	11,408
Corteva Inc.	167,881	9,868	Exelon Corp.	233,446	10,092
Newmont Corp.	186,516	8,804	Xcel Energy Inc.	128,554	9,013
Ecolab Inc.	58,231	8,476	Consolidated Edison Inc.	83,406	7,949
Dow Inc.	165,417	8,335	Public Service Enterprise Group Inc.	117,321	7,188
DuPont de Nemours Inc.	116,776	8,014	WEC Energy Group Inc.	74,174	6,955
Nucor Corp.	60,301	7,948	Eversource Energy	81,902	6,867
PPG Industries Inc.	55,268	6,949	Constellation Energy Corp.	76,740	6,616
International Flavors & Fragrances Inc.	59,842	6,274	American Water Works Co. Inc.	42,765	6,518
Albemarle Corp.	27,495	5,963	* PG&E Corp.	377,930	6,145
Vulcan Materials Co.	31,209	5,465	Edison International	89,641	5,703
LyondellBasell Industries NV Class A	59,695	4,956	Ameren Corp.	60,704	5,398
Martin Marietta Materials Inc.	14,579	4,927	Entergy Corp.	47,773	5,374
Amcor plc	349,910	4,167	FirstEnergy Corp.	127,533	5,349
CF Industries Holdings Inc.	46,111	3,929	DTE Energy Co.	45,495	5,347
Steel Dynamics Inc.	39,208	3,831	PPL Corp.	172,900	5,052
Ball Corp.	73,848	3,777	AES Corp.	157,010	4,516
FMC Corp.	29,614	3,696	CenterPoint Energy Inc.	147,904	4,436
Mosaic Co.	80,068	3,513	CMS Energy Corp.	68,224	4,321
Avery Dennison Corp.	19,029	3,444	Atmos Energy Corp.	32,891	3,686
International Paper Co.	83,716	2,899	Evergy Inc.	54,022	3,400
Packaging Corp. of America	21,785	2,787	Alliant Energy Corp.	59,083	3,262
Celanese Corp. Class A	23,401	2,392	NiSource Inc.	95,638	2,622
Eastman Chemical Co.	28,088	2,287	Pinnacle West Capital Corp.	26,498	2,015

Equity Index Portfolio

	Shares	Market Value* (\$000)
NRG Energy Inc.	53,942	1,716
		<u>240,330</u>
<b>Total Common Stocks</b> (Cost \$4,518,772)		<b>7,548,849</b>
<b>Temporary Cash Investments (0.6%)</b>		
<b>Money Market Fund (0.6%)</b>		
<sup>1</sup> Vanguard Market Liquidity Fund, 4.334% (Cost \$42,922)	429,268	42,922
<b>Total Investments (100.0%)</b> (Cost \$4,561,694)		<b>7,591,771</b>
<b>Other Assets and Liabilities—Net (0.0%)</b>		<b>(207)</b>
<b>Net Assets (100%)</b>		<b>7,591,564</b>

Cost is in \$000.

\* See Note A in Notes to Financial Statements.

\* Non-income-producing security.

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

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

Futures Contracts

				(\$000)
	Expiration	Number of Long (Short) Contracts	Notional Amount	Value and Unrealized Appreciation (Depreciation)
<b>Long Futures Contracts</b>				
E-mini S&P 500 Index	March 2023	219	42,278	(1,089)

## Statement of Assets and Liabilities

As of December 31, 2022

(\$000s, except shares, footnotes, and per-share amounts)	Amount
<b>Assets</b>	
Investments in Securities, at Value	
Unaffiliated Issuers (Cost \$4,518,772)	7,548,849
Affiliated Issuers (Cost \$42,922)	42,922
Total Investments in Securities	7,591,771
Investment in Vanguard	290
Cash	799
Cash Collateral Pledged—Futures Contracts	2,814
Receivables for Accrued Income	6,704
Receivables for Capital Shares Issued	3,592
<b>Total Assets</b>	<b>7,605,970</b>
<b>Liabilities</b>	
Payables for Investment Securities Purchased	12,115
Payables for Capital Shares Redeemed	1,683
Payables to Vanguard	466
Variation Margin Payable—Futures Contracts	142
<b>Total Liabilities</b>	<b>14,406</b>
<b>Net Assets</b>	<b>7,591,564</b>

At December 31, 2022, net assets consisted of:

Paid-in Capital	4,182,305
Total Distributable Earnings (Loss)	3,409,259
<b>Net Assets</b>	<b>7,591,564</b>
<b>Net Assets</b>	
Applicable to 149,619,587 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)	7,591,564
<b>Net Asset Value Per Share</b>	<b>\$50.74</b>

## Statement of Operations

	Year Ended December 31, 2022
	(\$000)
<b>Investment Income</b>	
<b>Income</b>	
Dividends <sup>1</sup>	129,892
Interest <sup>2</sup>	564
Securities Lending—Net	19
Total Income	130,475
<b>Expenses</b>	
The Vanguard Group—Note B	
Investment Advisory Services	770
Management and Administrative	9,807
Marketing and Distribution	426
Custodian Fees	80
Auditing Fees	69
Shareholders' Reports	100
Trustees' Fees and Expenses	3
Other Expenses	20
Total Expenses	11,275
Expenses Paid Indirectly	(2)
Net Expenses	11,273
<b>Net Investment Income</b>	<b>119,202</b>
<b>Realized Net Gain (Loss)</b>	
Investment Securities Sold <sup>2</sup>	272,286
Futures Contracts	(4,879)
<b>Realized Net Gain (Loss)</b>	<b>267,407</b>
<b>Change in Unrealized Appreciation (Depreciation)</b>	
Investment Securities <sup>2</sup>	(2,077,965)
Futures Contracts	(2,163)
<b>Change in Unrealized Appreciation (Depreciation)</b>	<b>(2,080,128)</b>
<b>Net Increase (Decrease) in Net Assets Resulting from Operations</b>	<b>(1,693,519)</b>

1 Dividends are net of foreign withholding taxes of \$58,000.

2 Interest income, realized net gain (loss), capital gain distributions received, and change in unrealized appreciation (depreciation) from an affiliated company of the portfolio were \$537,000, (\$1,000), less than \$1,000, and \$4,000, respectively. Purchases and sales are for temporary cash investment purposes.

## Statement of Changes in Net Assets

	Year Ended December 31,	
	2022 (\$000)	2021 (\$000)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations</b>		
Net Investment Income	119,202	105,618
Realized Net Gain (Loss)	267,407	359,238
Change in Unrealized Appreciation (Depreciation)	(2,080,128)	1,644,218
Net Increase (Decrease) in Net Assets Resulting from Operations	(1,693,519)	2,109,074
<b>Distributions</b>		
Total Distributions	(465,299)	(418,079)
<b>Capital Share Transactions</b>		
Issued	849,472	711,464
Issued in Lieu of Cash Distributions	465,299	418,079
Redeemed	(918,334)	(1,021,957)
Net Increase (Decrease) from Capital Share Transactions	396,437	107,586
Total Increase (Decrease)	(1,762,381)	1,798,581
<b>Net Assets</b>		
Beginning of Period	9,353,945	7,555,364
End of Period	7,591,564	9,353,945

## Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2022	2021	2020	2019	2018
<b>Net Asset Value, Beginning of Period</b>	<b>\$65.47</b>	<b>\$53.76</b>	<b>\$47.70</b>	<b>\$38.03</b>	<b>\$41.17</b>
<b>Investment Operations</b>					
Net Investment Income <sup>1</sup>	.806	.738	.798	.805	.804
Net Realized and Unrealized Gain (Loss) on Investments	(12.244)	13.978	7.014	10.791	(2.556)
Total from Investment Operations	(11.438)	14.716	7.812	11.596	(1.752)
<b>Distributions</b>					
Dividends from Net Investment Income	(.758)	(.754)	(.806)	(.834)	(.703)
Distributions from Realized Capital Gains	(2.534)	(2.252)	(.946)	(1.092)	(.685)
Total Distributions	(3.292)	(3.006)	(1.752)	(1.926)	(1.388)
<b>Net Asset Value, End of Period</b>	<b>\$50.74</b>	<b>\$65.47</b>	<b>\$53.76</b>	<b>\$47.70</b>	<b>\$38.03</b>
<b>Total Return</b>	<b>-18.23%</b>	<b>28.55%</b>	<b>18.20%</b>	<b>31.30%</b>	<b>-4.51%</b>
<b>Ratios/Supplemental Data</b>					
Net Assets, End of Period (Millions)	\$7,592	\$9,354	\$7,555	\$6,458	\$4,934
Ratio of Total Expenses to Average Net Assets	0.14% <sup>2</sup>	0.14%	0.14%	0.14%	0.14%
Ratio of Net Investment Income to Average Net Assets	1.48%	1.25%	1.73%	1.87%	1.94%
Portfolio Turnover Rate	5%	4%	8%	4%	5%

1 Calculated based on average shares outstanding.

2 The ratio of expenses to average net assets for the period net of reduction from custody fee offset arrangements was 0.14%.

## Notes to Financial Statements

The Equity 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. Significant market disruptions, such as those caused by pandemics (e.g., COVID-19 pandemic), natural or environmental disasters, war (e.g., Russia's invasion of Ukraine), acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Any such disruptions could have an adverse impact on the value of the portfolio's investments and portfolio performance.

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

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

2. **Futures Contracts:** The portfolio uses index futures contracts to a limited extent, with the 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, 2022, the portfolio's average investments in long and short futures contracts represented 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 virtually all of its taxable income. The portfolio's tax returns are open to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. Management has analyzed the portfolio's tax positions taken for all open federal and state income tax years, and has concluded that no provision for income tax is required in the portfolio's financial statements.

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

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



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

6. Credit Facilities and Interfund Lending Program: The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$4.4 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement and an uncommitted credit facility provided by Vanguard. Both facilities may be renewed annually. Each fund is individually liable for its borrowings, if any, under the credit facilities. Borrowings may be utilized for temporary or emergency purposes and are subject to the portfolio's regulatory and contractual borrowing restrictions. With respect to the committed credit facility, the participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn committed amount of the facility, which are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of Operations. Any borrowings under either facility bear interest at an agreed-upon spread plus the higher of the federal funds effective rate, the overnight bank funding rate, or the Daily Simple Secured Overnight Financing Rate inclusive of an additional agreed-upon spread. However, borrowings under the uncommitted credit facility may bear interest based upon an alternate rate agreed to by the portfolio and Vanguard.

In accordance with an exemptive order (the "Order") from the SEC, the portfolio may participate in a joint lending and borrowing program that allows registered open-end Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes (the "Interfund Lending Program"), subject to compliance with the terms and conditions of the Order, and to the extent permitted by the portfolio's investment objective and investment policies. Interfund loans and borrowings normally extend overnight but can have a maximum duration of seven days. Loans may be called on one business day's notice. The interest rate to be charged is governed by the conditions of the Order and internal procedures adopted by the board of trustees. The board of trustees is responsible for overseeing the Interfund Lending Program.

For the year ended December 31, 2022, the portfolio did not utilize the credit facilities or the Interfund Lending Program.

7. Other: Dividend income is recorded on the ex-dividend date. Non-cash dividends included in income, if any, are recorded at the fair value of the securities received. Interest income includes income distributions received from Vanguard Market Liquidity Fund and is accrued daily. 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, 2022, the portfolio had contributed to Vanguard capital in the amount of \$290,000, representing less than 0.01% of the portfolio's net assets and 0.12% of Vanguard's capital received pursuant to the FSA. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

C. The portfolio's custodian bank has agreed to reduce its fees when the portfolio maintains cash on deposit in the non-interest-bearing custody account. For the year ended December 31, 2022, custodian fee offset arrangements reduced the portfolio's expenses by \$2,000 (an annual rate of less than 0.01% of average net assets).

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

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

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

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

At December 31, 2022, 100% of the market value of the portfolio's investments and derivatives was determined based on Level 1 inputs.

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

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

	Amount (\$000)
Undistributed Ordinary Income	114,176
Undistributed Long-Term Gains	265,458
Capital Loss Carryforwards	—
Qualified Late-Year Losses	—
Net Unrealized Gains (Losses)	3,029,625

The tax character of distributions paid was as follows:

	Year Ended December 31,	
	2022 Amount (\$000)	2021 Amount (\$000)
Ordinary Income*	114,459	108,293
Long-Term Capital Gains	350,840	309,786
Total	465,299	418,079

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

As of December 31, 2022, 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	4,562,146
Gross Unrealized Appreciation	3,590,593
Gross Unrealized Depreciation	(560,968)
Net Unrealized Appreciation (Depreciation)	3,029,625

F. During the year ended December 31, 2022, the portfolio purchased \$485,618,000 of investment securities and sold \$435,228,000 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, 2022, such purchases were \$41,152,000 and sales were \$23,202,000, resulting in net realized gain of \$9,248,000; these amounts, other than temporary cash investments, are included in the purchases and sales of investment securities noted above.

## G. Capital shares issued and redeemed were:

	Year Ended December 31,	
	2022 Shares (000)	2021 Shares (000)
Issued	15,519	11,966
Issued in Lieu of Cash Distributions	7,787	7,731
Redeemed	(16,568)	(17,343)
Net Increase (Decrease) in Shares Outstanding	6,738	2,354

At December 31, 2022, one shareholder (an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders) was the record or beneficial owner of 44% of the portfolio's net assets. If this shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio, cause the portfolio to incur higher transaction costs, or lead to the realization of taxable capital gains.

H. Management has determined that no events or transactions occurred subsequent to December 31, 2022, that would require recognition or disclosure in these financial statements.

# Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Variable Insurance Funds and Shareholders of Equity Index Portfolio

## Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Equity Index Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2022, the related statement of operations for the year ended December 31, 2022, the statement of changes in net assets for each of the two years in the period ended December 31, 2022, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2022 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2022, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2022 and the financial highlights for each of the five years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

## Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP  
Philadelphia, Pennsylvania  
February 15, 2023

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

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**Tax information (unaudited)**

For corporate shareholders, 100.0%, or if subsequently determined to be different, the maximum percentage allowable by law, of ordinary income (dividend income plus short-term gains, if any) for the fiscal year qualified for the dividends-received deduction.

The portfolio hereby designates \$146,000, or if subsequently determined to be different, the maximum amount allowable by law, of interest earned from obligations of the U.S. government which is generally exempt from state income tax.

The portfolio distributed \$350,840,000 as capital gain dividends (20% rate gain distributions) to shareholders during the fiscal year.

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# The People Who Govern Your Fund

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

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 206 Vanguard funds.

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

### F. Joseph Loughrey

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

### Mark Loughridge

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

IBM, and a variety of other prior management roles at IBM. Member of the Council on Chicago Booth.

### Scott C. Malpass

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

### Deanna Mulligan

Born in 1963. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: chief executive officer of Purposeful (advisory firm for CEOs and C-level executives; 2021–present). Board chair (2020), chief executive officer (2011–2020), and president (2010–2019) of The Guardian Life Insurance Company of America. Chief operating officer (2010–2011) and executive vice president (2008–2010) of Individual Life and Disability of the Guardian Life Insurance Company of America. Member of the board of the Economic Club of New York. Trustee of the Partnership for New York City (business leadership), Chief Executives for Corporate Purpose, and the NewYork-Presbyterian Hospital.

### André F. Perold

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

### Sarah Bloom Raskin

Born in 1961. Trustee since January 2018. Principal occupation(s) during the past five years and other experience: deputy secretary (2014–2017) of the United States Department of the Treasury. Governor (2010–2014) of the Federal Reserve Board. Commissioner (2007–2010) of financial regulation for the State of Maryland. Colin W. Brown Distinguished Professor of the Practice of Law (2021–present), professor (2020–present), Distinguished Fellow of the Global Financial Markets Center (2020–present), and Rubenstein Fellow (2017–2020) at Duke University. Trustee (2017–present) of Amherst College and member of Amherst College Investment Committee (2019–present). Member of the Regenerative Crisis Response Committee (2020–present).

### David A. Thomas

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

<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.

**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****Jacqueline Angell**

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

**Christine M. Buchanan**

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

**John Galloway**

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

**Ashley Grim**

Born in 1984. Principal occupation(s) during the past five years and other experience: treasurer (February 2022–present) of each of the investment companies served by Vanguard. Fund transfer agent controller (2019–2022) and director of Audit Services

(2017–2019) at Vanguard. Senior manager (2015–2017) at PriceWaterhouseCoopers (audit and assurance, consulting, and tax services).

**Peter Mahoney**

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

**Anne E. Robinson**

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

**Michael Rollings**

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

**Vanguard Senior Management Team****Matthew Benchener****Joseph Brennan****Mortimer J. Buckley****Gregory Davis****John James****Chris D. McIsaac****Thomas M. Rampulla****Karin A. Risi****Anne E. Robinson****Michael Rollings****Nitin Tandon****Lauren Valente**



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

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