



Vanguard Variable Insurance Funds Balanced Portfolio

April 29, 2021

Prospectus

This prospectus contains financial data for the Portfolio through the fiscal year ended December 31, 2020.

The Securities and Exchange Commission (SEC) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Contents

Portfolio Summary	1	Financial Highlights	22
More on the Portfolio	6	General Information	24
The Portfolio and Vanguard	16	Glossary of Investment Terms	27
Investment Advisor	17		
Taxes	19		
Share Price	19		

Portfolio Summary

Investment Objective

The Portfolio seeks to provide long-term capital appreciation and reasonable current income.

Fees and Expenses

The following table describes the fees and expenses you may pay if you buy, hold, and sell shares of the Portfolio. The expenses shown in the table and in the example that follows do not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest. If those additional fees and expenses were included, overall expenses would be higher.

Annual Portfolio Operating Expenses

(Expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.19%
12b-1 Distribution Fee	None
Other Expenses	0.01%
Total Annual Portfolio Operating Expenses	0.20%

Example

The following example is intended to help you compare the cost of investing in the Portfolio with the cost of investing in other mutual funds. It illustrates the hypothetical expenses that you would incur over various periods if you were to invest \$10,000 in the Portfolio's shares. This example assumes that the Portfolio provides a return of 5% each year and that total annual portfolio operating expenses remain as stated in the preceding table. You would incur these hypothetical expenses whether or not you were to redeem your investment at the end of the given period. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$20	\$64	\$113	\$255

Portfolio Turnover

The Portfolio pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs. These costs, which are not reflected in annual portfolio operating expenses or in the previous expense example, reduce the Portfolio's performance. During the most recent fiscal year, the Portfolio's turnover rate was 49% of the average value of its portfolio.

Principal Investment Strategies

The Portfolio invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large companies. In choosing these stocks, the advisor seeks durable businesses that appear to be undervalued but have prospects for improvement. These stocks are commonly referred to as value stocks. The remaining 30% to 40% of the Portfolio's assets are invested mainly in fixed income securities that the advisor believes will generate a moderate level of current income. These securities include investment-grade corporate bonds, with some exposure to U.S. Treasury and government agency bonds, and mortgage-backed securities.

Principal Risks

The Portfolio is subject to the risks associated with the stock and bond markets, any of which could cause an investor to lose money, and the level of risk may vary based on market conditions. However, because stock and bond prices can move in different directions or to different degrees, the Portfolio's bond holdings may counteract some of the volatility experienced by the Portfolio's stock holdings.

- With approximately 60% to 70% of its assets allocated to stocks, the Portfolio is proportionately subject to the following stock risks: *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices; and *investment style risk*, which is the chance that returns from large-capitalization value stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.
- With approximately 30% to 40% of its assets allocated to bonds, the Portfolio is proportionately subject to the following bond risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that the Portfolio's income will decline because of falling interest rates. A fund holding bonds will experience a decline in income when interest rates fall because the fund then must invest new cash flow and cash from maturing bonds in lower-yielding bonds; *credit risk*, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; *liquidity risk*, which is the chance that the Portfolio may not be able to sell a security in a timely manner at a desired price; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Portfolio would then lose any

price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Portfolio's income. Such redemptions and subsequent reinvestments would also increase the Portfolio's turnover rate. For mortgage-backed securities, this risk is known as *prepayment risk*.

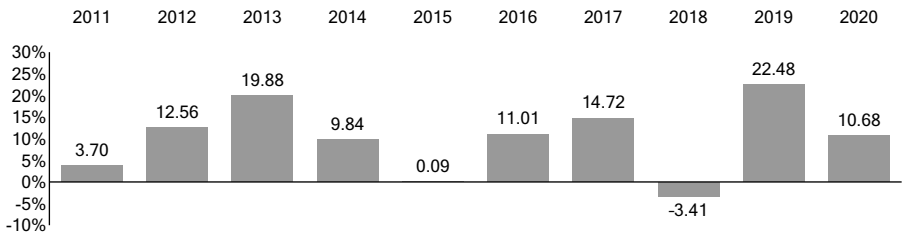
- *Manager risk*, which is the chance that poor security selection will cause the Portfolio to underperform relevant benchmarks or other funds with a similar investment objective.

An investment in the Portfolio is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Annual Total Returns

The following bar chart and table are intended to help you understand the risks of investing in the Portfolio. The bar chart shows how the performance of the Portfolio has varied from one calendar year to another over the periods shown. The table shows how the average annual total returns of the Portfolio compare with those of relevant market indexes and a composite stock/bond index, which have investment characteristics similar to those of the Portfolio. The Composite Stock/Bond Index is weighted 65% in the S&P 500 Index and 35% in the Bloomberg Barclays U.S. Credit A or Better Bond Index. The Portfolio's returns are net of its expenses but do not reflect additional fees and expenses that are deducted by the annuity or life insurance program through which you invest. If such fees and expenses were included in the calculation of the Portfolio's returns, the returns would be lower. Keep in mind that the Portfolio's past performance does not indicate how the Portfolio will perform in the future. Updated performance information is available on our website for Financial Advisors at advisors.vanguard.com or by calling Vanguard toll-free at 800-522-5555.

Annual Total Returns — Balanced Portfolio



During the periods shown in the bar chart, the highest and lowest returns for a calendar quarter were:

	Total Return	Quarter
Highest	12.21%	June 30, 2020
Lowest	-13.84%	March 31, 2020

Average Annual Total Returns for Periods Ended December 31, 2020

	1 Year	5 Years	10 Years
Balanced Portfolio	10.68%	10.77%	9.88%
Comparative Indexes			
(reflect no deduction for fees or expenses)			
Composite Stock/Bond Index	15.80%	12.03%	10.89%
Dow Jones U.S. Total Stock Market Float Adjusted Index	20.79	15.36	13.74
Bloomberg Barclays U.S. Aggregate Bond Index	7.51	4.44	3.84

Investment Advisor

Wellington Management Company LLP (Wellington Management)

Portfolio Managers

Loren L. Moran, CFA, Senior Managing Director and Fixed Income Portfolio Manager of Wellington Management. She has co-managed the fixed income portion of the Portfolio since 2017.

Daniel J. Pozen, Senior Managing Director and Equity Portfolio Manager of Wellington Management. He has managed the stock portion of the Portfolio since 2019.

Michael E. Stack, CFA, Senior Managing Director and Fixed Income Portfolio Manager of Wellington Management. He has co-managed the fixed income portion of the Portfolio since 2017.


Tax Information

The Portfolio normally distributes its net investment income and net realized capital gains, if any, to its shareholders, which are the insurance company separate accounts that sponsor your variable annuity or variable life insurance contract. The tax consequences to you of your investment in the Portfolio depend on the provisions of the annuity or life insurance contract through which you invest. For more information on taxes, please refer to the prospectus of the annuity or life insurance contract through which Portfolio shares are offered.

Payments to Financial Intermediaries

The Portfolio and its investment advisor do not pay financial intermediaries for sales of Portfolio shares.

More on the Portfolio

This prospectus describes the principal risks you would face as an investor in this Portfolio. It is important to keep in mind one of the main principles of investing: generally, the higher the risk of losing money, the higher the potential reward. The reverse, also, is generally true: the lower the risk, the lower the potential reward. As you consider an investment in any mutual fund, you should take into account your personal tolerance for fluctuations in the securities markets. Look for this  symbol throughout the prospectus. It is used to mark detailed information about the more significant risks that you would confront as a Portfolio investor. To highlight terms and concepts important to mutual fund investors, we have provided Plain Talk[®] explanations along the way. Reading the prospectus will help you decide whether the Portfolio is the right investment for you. We suggest that you keep this prospectus for future reference.

A Note About Vanguard Variable Insurance Funds

The Balanced Portfolio of Vanguard Variable Insurance Funds is a mutual fund used solely as an investment option for annuity or life insurance contracts offered by insurance companies. This means that you cannot purchase shares of the Portfolio directly, but only through a contract offered by an insurance company.

The Balanced Portfolio is separate from other Vanguard mutual funds, even when the Portfolio and a fund have the same investment objective and advisor. The Portfolio's investment performance will differ from the performance of other Vanguard funds because of differences in the securities held and because of administrative and insurance costs associated with the annuity or life insurance program through which you invest.

Plain Talk About Costs of Investing

Costs are an important consideration in choosing a mutual fund. That is because you, as a contract owner, pay a proportionate share of the costs of operating a fund and any transaction costs incurred when the fund buys or sells securities. These costs can erode a substantial portion of the gross income or the capital appreciation a fund achieves. Even seemingly small differences in expenses can, over time, have a dramatic effect on a fund's performance.

The following sections explain the principal investment strategies and policies that the Portfolio uses in pursuit of its investment objective. The board of trustees of Vanguard Variable Insurance Funds (the Board), which oversees the


Portfolio's management, may change investment strategies or policies in the interest of shareholders without a shareholder vote, unless those strategies or policies are designated as fundamental.


Plain Talk About Balanced Funds

Balanced funds are generally investments that seek to provide some combination of income and capital appreciation by investing in a mix of stocks and bonds. Because prices of stocks and bonds can respond differently to economic events and influences, a balanced fund should experience less volatility than a fund investing exclusively in stocks.

Market Exposure

Approximately 60% to 70% of the Portfolio's assets are invested in stocks. The remaining 30% to 40% of the Portfolio's assets are invested in fixed income securities.

 *The Portfolio is subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.*

 *The Portfolio is subject to investment style risk, which is the chance that returns from large-capitalization value stocks will trail returns from the overall stock market. Large-cap stocks tend to go through cycles of doing better—or worse—than other segments of the stock market or the stock market in general. These periods have, in the past, lasted for as long as several years.*

Plain Talk About Bonds and Interest Rates

As a rule, when interest rates rise, bond prices fall. The opposite is also true: Bond prices go up when interest rates fall. Why do bond prices and interest rates move in opposite directions? Let's assume that you hold a bond offering a 4% yield. A year later, interest rates are on the rise and bonds of comparable quality and maturity are offered with a 5% yield. With higher-yielding bonds available, you would have trouble selling your 4% bond for the price you paid—you would probably have to lower your asking price. On the other hand, if interest rates were falling and 3% bonds were being offered, you should be able to sell your 4% bond for more than you paid.



The Portfolio is subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be moderate for the Portfolio because the Portfolio invests only a portion of its assets in bonds and because the average duration of the Portfolio's bond portfolio is generally intermediate-term. The prices of short- and intermediate-term bonds are less sensitive to interest rate changes than are the prices of long-term bonds.

Although bonds are often thought to be less risky than stocks, there have been periods when bond prices have fallen significantly because of rising interest rates. For instance, prices of long-term bonds fell by almost 48% between December 1976 and September 1981.

To illustrate the relationship between bond prices and interest rates, the following table shows the effect of a 1% and a 2% change (both up and down) in interest rates on the values of three noncallable bonds (i.e., bonds that cannot be redeemed by the issuer) of different maturities, each with a face value of \$1,000.

How Interest Rate Changes Affect the Value of a \$1,000 Bond¹

Type of Bond (Maturity)	After a 1% Increase	After a 1% Decrease	After a 2% Increase	After a 2% Decrease
Short-Term (2.5 years)	\$977	\$1,024	\$954	\$1,049
Intermediate-Term (10 years)	922	1,086	851	1,180
Long-Term (20 years)	874	1,150	769	1,328

¹ Assuming a 4% coupon rate.

These figures are for illustration only; you should not regard them as an indication of future performance of the bond market as a whole or the Portfolio in particular. Also, because bonds make up only a portion of the Portfolio's assets, changes in interest rates may not have as dramatic an effect on the Portfolio as they would on a portfolio made up entirely of bonds.

Changes in interest rates can affect bond *income* as well as bond *prices*.



The Portfolio is subject to income risk, which is the chance that the Portfolio's income will decline because of falling interest rates. A portfolio's income declines when interest rates fall because the portfolio then must invest new cash flow and cash from maturing bonds in lower-yielding bonds.

Although income risk for intermediate-term bonds—like those held by the Portfolio—is considered moderate, this risk should be low for the Portfolio because it invests only a portion of its assets in bonds.

Plain Talk About Bond Maturities

A bond is issued with a specific maturity date—the date when the issuer must pay back the bond’s principal (face value). Bond maturities range from less than 1 year to more than 30 years. Typically, the longer a bond’s maturity, the more price risk you, as a bond investor, will face as interest rates rise—but also the higher the potential yield you could receive. Longer-term bonds are more suitable for investors willing to take a greater risk of price fluctuations to get higher and more stable interest income. Shorter-term bond investors should be willing to accept lower yields and greater income variability in return for less fluctuation in the value of their investment. The stated maturity of a bond may differ from the effective maturity of a bond, which takes into consideration that an action such as a call or refunding may cause bonds to be repaid before their stated maturity dates.

Because bond and stock prices often move in different directions, the Portfolio’s stock holdings help to reduce—but not eliminate—some of the bond price fluctuations caused by changes in interest rates.

The Portfolio’s balanced holdings, in the long run, should result in less investment risk—and a lower investment return—than a portfolio investing exclusively in common stocks.

Market disruptions can adversely affect local and global markets as well as normal market conditions and operations. Any such disruptions could have an adverse impact on the value of the Portfolio’s investments and Portfolio performance.

Security Selection

Wellington Management, advisor to the Portfolio, invests approximately 60% to 70% of the Portfolio’s assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established large companies. The remaining 30% to 40% of Portfolio assets are invested mainly in fixed income securities that the advisor believes will generate a moderate level of current income. Although the mix of stocks and bonds varies from time to time,

depending on the advisor's view of economic and market conditions, the stock portion can be expected to represent at least 60% of the Portfolio's holdings under normal circumstances.

The Portfolio is managed according to traditional methods of active investment management. Securities are bought and sold based on the advisor's judgments about companies and their financial prospects and about bond issuers and the general level of interest rates. The Portfolio's advisor may, at times, select securities that cause the Portfolio to focus in a particular market sector, which would subject the Portfolio to proportionately higher exposure to the risks of that sector.

Wellington Management uses extensive research to find what it considers to be undervalued stocks of primarily established large companies with durable businesses. The advisor considers a stock to be undervalued if company earnings, or potential earnings, are not fully reflected in the stock's share price. In other words, the current market prices of these large-cap stocks may be less than what the advisor thinks they should be. The advisor considers a business to be durable if cash flows are resilient across a business cycle, and the business is able to achieve a superior level and duration of growth and/or income.

The advisor's goal is to identify and purchase these securities before their value is recognized by other investors. The advisor emphasizes stocks that, on average, provide a higher level of dividend income than is generally provided by stocks in the overall market. The advisor emphasizes the long-term rate of value creation rather than short-term rate of change in sales or earnings. By adhering to this stock selection strategy and by investing in a wide variety of companies and industries, the advisor expects to moderate overall risk. The advisor will generally sell stocks when the valuation is no longer attractive or the business' stability has been materially impacted.

The asset-weighted median market capitalization of the Portfolio's stock holdings as of December 31, 2020, was \$189 billion.

For the bond portion of the Portfolio, the advisor selects investment-grade bonds that it believes will generate a moderate level of current income. These may include short-, intermediate-, and long-term corporate, U.S. Treasury, government agency, and asset-backed bonds, as well as mortgage-backed securities. The advisor does not generally make large adjustments in the average maturity of the Portfolio's bond holdings in anticipation of changes in interest rates. Although the Portfolio does not have specific maturity guidelines, the average duration of the Portfolio's bond holdings as of December 31, 2020, was 8.1 years.



The Portfolio is subject to manager risk, which is the chance that poor security selection will cause the Portfolio to underperform relevant benchmarks or other funds with a similar investment objective.

Plain Talk About Types of Bonds

Bonds are issued (sold) by many sources: Corporations issue corporate bonds; the federal government issues U.S. Treasury bonds; agencies of the federal government issue agency bonds; financial institutions issue asset-backed bonds; and mortgage holders issue “mortgage-backed” pass-through certificates. Each issuer is responsible for paying back the bond’s initial value as well as for making periodic interest payments. Many bonds issued by government agencies and entities are neither guaranteed nor insured by the U.S. government.

A breakdown of the Portfolio’s bond holdings (which amounted to 31.7% of the Portfolio’s net assets) as of December 31, 2020, follows:

Type of Bond	Percentage of Portfolio’s Bond Holdings
Industrial	33.9%
Finance	26.0
Treasury	16.2
Utilities	9.5
Other	7.3
Government Mortgage-Backed	3.3
Foreign	2.5
Asset-Backed/Commercial Mortgage-Backed	1.3

The advisor purchases bonds that are of investment-grade quality—that is, bonds rated at least Baa3 by Moody’s Investors Service, Inc., or BBB– by Standard & Poor’s—or, if unrated, are determined to be of comparable credit quality by the advisor.



The Portfolio is subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner or that negative perceptions of the issuer’s ability to make such payments will cause the price of that bond to decline. Credit risk should be low for the Portfolio because it invests only a portion of its assets in bonds, most of which are considered to be of high quality.

Plain Talk About Credit Quality

A bond's credit quality rating is an assessment of the issuer's ability to pay interest on the bond and, ultimately, to repay the principal. The lower the credit quality, the greater the perceived chance that the bond issuer will default, or fail to meet its payment obligations. All things being equal, the lower a bond's credit quality, the higher its yield should be to compensate investors for assuming additional risk.



The Portfolio is subject to liquidity risk, which is the chance that the Portfolio may not be able to sell a security in a timely manner at a desired price.



The Portfolio is subject to call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. The Portfolio would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Portfolio's income. Such redemptions and subsequent reinvestments would also increase the Portfolio's turnover rate. For mortgage-backed securities, this risk is known as prepayment risk.

Because the Portfolio invests only a portion of its assets in callable bonds and mortgage-backed and asset-backed securities, call/prepayment risk should be low for the Portfolio.

Plain Talk About Callable Bonds

Although bonds are issued with clearly defined maturities, in some cases the bond issuer has a right to call in (redeem) the bond earlier than its maturity date. When a bond is called, the bondholder must replace it with another bond that may have a lower yield than the original bond. One way for bond investors to protect themselves against call risk is to purchase a bond early in its lifetime, long before its call date. Another way is to buy bonds with lower coupon rates or interest rates, which make them less likely to be called.

Other Investment Policies and Risks

In addition to investing in value stocks and investment-grade bonds, the Portfolio may make other kinds of investments to achieve its investment objective.

The Portfolio may invest up to 25% of its assets in foreign securities, which may include depositary receipts. Foreign securities may be traded on U.S. or foreign markets. To the extent that it owns foreign securities, the Portfolio is subject to *country/regional risk* and *currency risk*. *Country/regional risk* is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value and/or liquidity of securities issued by governments, government agencies, or companies in foreign countries or regions. In addition, the prices of foreign securities and the prices of U.S. securities have, at times, moved in opposite directions. *Currency risk* is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. To the extent that the Portfolio owns local currency bonds and hedges its foreign currency exposure, it is subject to *currency hedging risk*, which is the chance that the currency hedging transactions entered into by the Portfolio may not perfectly offset the Portfolio's foreign currency exposure.

The Portfolio may also invest in securities that are convertible into common stocks, as well as invest modestly in collateralized mortgage obligations (CMOs), which offer a high degree of cash-flow predictability and a low level of vulnerability to mortgage prepayment risk. To reduce credit risk, these less-risky classes of CMOs are purchased only if they are issued by agencies of the U.S. government or issued by private companies that carry high-quality investment-grade ratings.

The Portfolio may also invest, to a limited extent, in derivatives. Generally speaking, a derivative is a financial contract whose value is based on the value of a financial asset (such as a stock, a bond, or a currency), a physical asset (such as gold, oil, or wheat), a market index, or a reference rate. Investments in derivatives may subject the Portfolio to risks different from, and possibly greater than, those of investments directly in the underlying securities or assets. The Portfolio's derivative instruments may include fixed income futures contracts, options, straddles, credit swaps, interest rate swaps, total return swaps, and other types of derivatives. The Portfolio will not use derivatives for speculation or for the purpose of leveraging (magnifying) investment returns.

The Portfolio may enter into foreign currency exchange forward contracts, which are a type of derivative. A foreign currency exchange forward contract is an agreement to buy or sell a currency at a specific price on a specific date, usually 30, 60, or 90 days in the future. In other words, the contract guarantees an exchange rate on a given date. Advisors of portfolios that invest in foreign securities can use these contracts to guard against unfavorable changes in

currency exchange rates. These contracts, however, would not prevent the Portfolio's securities from falling in value as a result of risks other than unfavorable currency exchange movements.

Plain Talk About Derivatives

Derivatives can take many forms. Some forms of derivatives—such as exchange-traded futures and options on securities, commodities, or indexes—have been trading on regulated exchanges for decades. These types of derivatives are standardized contracts that can easily be bought and sold and whose market values are determined and published daily. On the other hand, non-exchange-traded derivatives—such as certain swap agreements and foreign currency exchange forward contracts—tend to be more specialized or complex and may be more difficult to accurately value.

Cash Management

The Portfolio's daily cash balance may be invested in Vanguard Market Liquidity Fund and/or Vanguard Municipal Cash Management Fund (each, a CMT Fund), which are low-cost money market funds. When investing in a CMT Fund, the Portfolio bears its proportionate share of the expenses of the CMT Fund in which it invests. Vanguard receives no additional revenue from Portfolio assets invested in a CMT Fund.

Temporary Investment Measures

The Portfolio may temporarily depart from its normal investment policies and strategies when the advisor believes that doing so is in the Portfolio's best interest, so long as the strategy or policy employed is consistent with the Portfolio's investment objective. For instance, the Portfolio may invest beyond its normal limits in derivatives or exchange-traded funds that are consistent with the Portfolio's investment objective when those instruments are more favorably priced or provide needed liquidity, as might be the case if the Portfolio is transitioning assets from one advisor to another or receives large cash flows that it cannot prudently invest immediately.

In addition, the Portfolio may take temporary defensive positions that are inconsistent with its normal investment policies and strategies—for instance, by allocating substantial assets to cash equivalent investments or other less volatile instruments—in response to adverse or unusual market, economic, political, or other conditions. In doing so, the Portfolio may succeed in avoiding losses but may otherwise fail to achieve its investment objective.

Frequent Trading or Market-Timing

Background. Some investors try to profit from strategies involving frequent trading of mutual fund shares, such as market-timing. For funds holding foreign securities, investors may try to take advantage of an anticipated difference between the price of the fund's shares and price movements in overseas markets, a practice also known as time-zone arbitrage. Investors also may try to engage in frequent trading of funds holding investments such as small-cap stocks and high-yield bonds. As money is shifted into and out of a fund by an investor engaging in frequent trading, the fund incurs costs for buying and selling securities, resulting in increased brokerage and administrative costs. These costs are borne by *all* fund investors, including the long-term investors who do not generate the costs. In addition, frequent trading may interfere with an advisor's ability to efficiently manage the fund.

Policies to address frequent trading. The Vanguard funds (other than money market funds and short-term bond funds, but including Vanguard Short-Term Inflation-Protected Securities Index Fund) do not knowingly accommodate frequent trading. The board of trustees of each Vanguard fund (other than money market funds and short-term bond funds, but including Vanguard Short-Term Inflation-Protected Securities Index Fund) has adopted policies and procedures reasonably designed to detect and discourage frequent trading and, in some cases, to compensate the fund for the costs associated with it. These policies and procedures do not apply to ETF Shares because frequent trading in ETF Shares generally does not disrupt portfolio management or otherwise harm fund investors. Although there is no assurance that Vanguard will be able to detect or prevent frequent trading or market-timing in all circumstances, the following policies have been adopted to address these issues:

- Each Vanguard fund reserves the right to reject any purchase request—including exchanges from other Vanguard funds—without notice and regardless of size. For example, a purchase request could be rejected because the investor has a history of frequent trading or if Vanguard determines that such purchase may negatively affect a fund's operation or performance.
- Certain Vanguard funds charge investors purchase and/or redemption fees on transactions.

You may purchase or sell Portfolio shares through a contract offered by an insurance company. When insurance companies establish omnibus accounts in the Portfolio for their clients, we cannot monitor the individual clients' trading activity. However, we review trading activity at the omnibus account level, and we look for activity that may indicate potential frequent trading or market-timing. If we detect suspicious trading activity, we will seek the assistance of the insurance company to investigate that trading activity and take appropriate

action, including prohibiting additional purchases of Portfolio shares by a client. Insurance companies may apply frequent-trading policies that differ from one another. Please read the insurance company contract and program materials carefully to learn of any rules or fees that may apply.

See the accompanying prospectus for the annuity or insurance program through which Portfolio shares are offered for further details on transaction policies.

The Portfolio, in determining its net asset value, will use fair-value pricing when appropriate, as described in the *Share Price* section. Fair-value pricing may reduce or eliminate the profitability of certain frequent-trading strategies.

Do not invest with Vanguard if you are a market-timer.

Turnover Rate

A mutual fund's turnover rate is a measure of its trading activity. The Portfolio may sell securities regardless of how long they have been held. The historical turnover rates for the Portfolio can be found in the **Financial Highlights** section of this prospectus. A turnover rate of 100%, for example, would mean that the Portfolio had sold and replaced securities valued at 100% of its net assets within a one-year period. In general, the greater the turnover rate, the greater the impact transaction costs will have on a fund's return. Also, funds with high turnover rates may be more likely to generate capital gains, including short-term capital gains, that must be distributed to shareholders and will be taxable to shareholders investing through a taxable account.

The Portfolio and Vanguard

The Portfolio is a member of The Vanguard Group, a family of over 200 funds. All of the funds that are members of The Vanguard Group (other than funds of funds) share in the expenses associated with administrative services and business operations, such as personnel, office space, and equipment.

Vanguard Marketing Corporation provides marketing services to the funds. Although fund shareholders do not pay sales commissions or 12b-1 distribution fees, each fund (other than a fund of funds) or each share class of a fund (in the case of a fund with multiple share classes) pays its allocated share of the Vanguard funds' marketing costs.

Plain Talk About Vanguard's Unique Corporate Structure

The Vanguard Group is owned jointly by the funds it oversees and thus indirectly by the shareholders in those funds. Most other mutual funds are operated by management companies that are owned by third parties—either public or private stockholders—and not by the funds they serve.

Investment Advisor

Wellington Management Company LLP, 280 Congress Street, Boston, MA 02210, provides investment advisory services for the Portfolio. Wellington Management is a Delaware limited liability partnership and an investment counseling firm that provides investment services to investment companies, employee benefit plans, endowments, foundations, and other institutions. Wellington Management and its predecessor organizations have provided investment advisory services for over 80 years. Wellington Management is owned by the partners of Wellington Management Group LLP, a Massachusetts limited liability partnership. As of December 31, 2020, Wellington Management and its investment advisory affiliates had investment management authority with respect to approximately \$1.3 trillion in assets. The firm manages the Portfolio subject to the supervision and oversight of Vanguard and the Board.

The Portfolio pays the advisor a base fee plus or minus a performance adjustment. The base fee, which is paid quarterly, is a percentage of average daily net assets under management during the most recent fiscal quarter. The base fee has breakpoints, which means that the percentage declines as assets go up. The performance adjustment, also paid quarterly, is based on the cumulative total return of the Portfolio relative to that of the Composite Stock/Bond Index over the preceding 36-month period. The Index is a composite benchmark, weighted 65% in the S&P 500 Index and 35% in the Bloomberg Barclays U.S. Credit A or Better Bond Index. When the performance adjustment is positive, the Portfolio's expenses increase; when it is negative, expenses decrease.

For the fiscal year ended December 31, 2020, the advisory fee paid to Wellington Management represented an effective annual rate of 0.05% of the Portfolio's average net assets before a performance-based decrease of 0.01%.

Under the terms of an SEC exemption, the board of trustees of Vanguard Variable Insurance Funds may, without prior approval from shareholders, change the terms of an advisory agreement with a third-party investment advisor or hire a new third-party investment advisor—either as a replacement for an existing advisor or as an additional advisor. Any significant change in the Portfolio’s advisory arrangements will be communicated to shareholders in writing. As the Portfolio’s sponsor and overall manager, Vanguard may provide investment advisory services to the Portfolio at any time. Vanguard may also recommend to the board of trustees that an advisor be hired, terminated, or replaced or that the terms of an existing advisory agreement be revised. Vanguard Variable Insurance Funds has filed an application seeking a similar SEC exemption with respect to investment advisors that are wholly owned subsidiaries of Vanguard. If the exemption is granted, the Portfolio may rely on the new SEC relief.

For a discussion of why the Board approved the Portfolio’s investment advisory agreement, see the most recent semiannual report to shareholders covering the fiscal period ended June 30.

The managers primarily responsible for the day-to-day management of the Portfolio are:

Loren L. Moran, CFA, Senior Managing Director and Fixed Income Portfolio Manager of Wellington Management. She has worked in investment management since 2001, has been with Wellington Management since 2014, and has co-managed the fixed income portion of the Portfolio since 2017. Education: B.S., Georgetown University.

Daniel J. Pozen, Senior Managing Director and Equity Portfolio Manager of Wellington Management. He has worked in investment management since 1999, has been with Wellington Management since 2006, and has managed the stock portion of the Portfolio since 2019. Education: B.A., Williams College; M.B.A., Dartmouth College (Tuck).

Michael E. Stack, CFA, Senior Managing Director and Fixed Income Portfolio Manager of Wellington Management. He has worked in investment management since 1981, has been with Wellington Management since 2000, and has co-managed the fixed income portion of the Portfolio since 2017. Education: B.A., University of Virginia.

The Portfolio’s *Statement of Additional Information* provides information about each portfolio manager’s compensation, other accounts under management, and ownership of shares of the Portfolio.

Taxes

The Portfolio normally distributes its net investment income and net realized short-term or long-term capital gains, if any, to its shareholders, which are the insurance company separate accounts that fund your variable annuity or variable life insurance contract. From time to time, the Portfolio may also make distributions that are treated as a return of capital. The tax consequences to you of your investment in the Portfolio depend on the provisions of the annuity or life insurance contract through which you invest; please refer to the prospectus of such contract for more information.

The Portfolio intends to operate in such a manner that a separate account investing only in Portfolio shares will result in the variable annuity and variable life insurance contracts supported by that account receiving favorable tax treatment. This favorable treatment means that you generally will not be taxed on Portfolio distributions or proceeds on dispositions of Portfolio shares received by the separate account funding your contract. In order to qualify for this favorable treatment, the insurance company separate accounts that invest in the Portfolio must satisfy certain requirements. If a Portfolio funding your contract does not meet such requirements, your contract could lose its favorable tax treatment and income and gain allocable to your contract could be taxable to you. Also, if the IRS were to determine that contract holders have an impermissible level of control over the investments funding their contracts, your contract could lose its favorable tax treatment and income and gain allocable to your contract could be taxable currently to you. Please see the Portfolio's *Statement of Additional Information* for more information.

Share Price

Share price, also known as *net asset value* (NAV), is calculated as of the close of regular trading on the New York Stock Exchange (NYSE), generally 4 p.m., Eastern time, on each day that the NYSE is open for business (a business day). In the rare event the NYSE experiences unanticipated disruptions and is unavailable at the close of the trading day, NAVs will be calculated as of the close of regular trading on the Nasdaq (or another alternate exchange if the Nasdaq is unavailable, as determined at Vanguard's discretion), generally 4 p.m., Eastern time. The NAV per share is computed by dividing the total assets, minus liabilities, of the Portfolio by the number of Portfolio shares outstanding. On U.S. holidays or other days when the NYSE is closed, the NAV is not calculated, and the Portfolio does not sell or redeem shares. However, on those days the value

of the Portfolio's assets may be affected to the extent that the Portfolio holds securities that change in value on those days (such as foreign securities that trade on foreign markets that are open).

Stocks held by a Vanguard portfolio are valued at their *market value* when reliable market quotations are readily available from the principal exchange or market on which they are traded. Such securities are generally valued at their official closing price, the last reported sales price, or if there were no sales that day, the mean between the closing bid and asking prices. Debt securities held by a Vanguard portfolio are valued based on information furnished by an independent pricing service or market quotations. When a portfolio determines that pricing-service information or market quotations either are not readily available or do not accurately reflect the value of a security, the security is priced at its *fair value* (the amount that the owner might reasonably expect to receive upon the current sale of the security).

The values of any foreign securities held by a portfolio are converted into U.S. dollars using an exchange rate obtained from an independent third party as of the close of regular trading on the NYSE. The values of any mutual fund shares, including institutional money market fund shares, held by a portfolio are based on the NAVs of the shares. The values of any ETF shares or closed-end fund shares held by a portfolio are based on the market value of the shares.

A portfolio also will use fair-value pricing if the value of a security it holds has been materially affected by events occurring before the portfolio's pricing time but after the close of the principal exchange or market on which the security is traded. This most commonly occurs with foreign securities, which may trade on foreign exchanges that close many hours before the portfolio's pricing time. Intervening events might be company-specific (e.g., earnings report, merger announcement) or country-specific or regional/global (e.g., natural disaster, economic or political news, act of terrorism, interest rate change). Intervening events include price movements in U.S. markets that exceed a specified threshold or that are otherwise deemed to affect the value of foreign securities.

Fair-value pricing may be used for domestic securities—for example, if (1) trading in a security is halted and does not resume before the portfolio's pricing time or a security does not trade in the course of a day and (2) the portfolio holds enough of the security that its price could affect the portfolio's NAV. A portfolio also may use fair-value pricing with respect to its fixed income securities on bond market holidays when the portfolio is open for business (such as Columbus Day and Veterans Day).

Fair-value prices are determined by Vanguard according to procedures adopted by the board of trustees. When fair-value pricing is employed, the prices of securities used by a portfolio to calculate the NAV may differ from quoted or published prices for the same securities.

The Portfolio's NAV is used to determine the unit value for the annuity or life insurance program through which you invest. For more information on unit values, please refer to the accompanying prospectus of the insurance company that offers your annuity or life insurance program.

Financial Highlights

Financial highlights information is intended to help you understand a fund's performance for the past five years (or, if shorter, its period of operations). Certain information reflects financial results for a single fund share. Total return represents the rate that an investor would have earned or lost each period on an investment in a fund or share class (assuming reinvestment of all distributions). This information has been obtained from the financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report, along with fund financial statements, is included in a fund's most recent annual report to shareholders. You may obtain a free copy of a fund's latest annual or semiannual report, which is available upon request.

Yields and total returns presented for the Portfolio are net of the Portfolio's operating expenses, but they do not take into account charges and expenses attributable to the annuity or life insurance program through which you invest. The expenses of the annuity or life insurance program reduce the returns and yields you ultimately receive, so you should bear those expenses in mind when evaluating the performance of the Portfolio and when comparing the yields and returns of the Portfolio with those of other mutual funds.

Balanced Portfolio

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2020	2019	2018	2017	2016
Net Asset Value, Beginning of Period	\$24.94	\$22.20	\$24.80	\$23.03	\$22.32
Investment Operations					
Net Investment Income	0.526 ¹	0.623 ¹	0.626 ¹	0.582 ¹	0.581
Net Realized and Unrealized Gain (Loss) on Investments	1.692	4.105	(1.414)	2.648	1.713
Total from Investment Operations	2.218	4.728	(0.788)	3.230	2.294
Distributions					
Dividends from Net Investment Income	(0.666)	(0.660)	(0.582)	(0.567)	(0.576)
Distributions from Realized Capital Gains	(0.812)	(1.328)	(1.230)	(0.893)	(1.008)
Total Distributions	(1.478)	(1.988)	(1.812)	(1.460)	(1.584)
Net Asset Value, End of Period	\$25.68	\$24.94	\$22.20	\$24.80	\$23.03
Total Return	10.68%	22.48%	-3.41%	14.72%	11.01%
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	\$3,346	\$3,267	\$2,708	\$2,942	\$2,554
Ratio of Total Expenses to Average Net Assets ²	0.20%	0.21%	0.21%	0.23%	0.23%
Ratio of Net Investment Income to Average Net Assets	2.24%	2.68%	2.67%	2.49%	2.66%
Portfolio Turnover Rate ³	49%	29%	36%	28%	33%

1 Calculated based on average shares outstanding.

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

3 Includes 3%, 8%, 2%, 0%, and 0% attributable to mortgage-dollar-roll activity.

General Information

This Portfolio of Vanguard Variable Insurance Funds offers its shares to insurance companies to fund both annuity and life insurance contracts. Because of differences in tax treatment or other considerations, the best interests of various contract owners participating in the Portfolio might at some time be in conflict. The Board will monitor for any material conflicts and determine what action, if any, should be taken.

If the Board determines that continued offering of shares would be detrimental to the best interests of the Portfolio's shareholders, the Portfolio may suspend the offering of shares for a period of time. If the Board determines that a specific purchase acceptance would be detrimental to the best interests of the Portfolio's shareholders (for example, because of the size of the purchase request or a history of frequent trading by the investor), the Portfolio may reject such a purchase request.

If you wish to redeem money from the Portfolio, please refer to the instructions provided in the accompanying prospectus for the annuity or life insurance program. Shares of the Portfolio may be redeemed on any business day that the NYSE is open for trading. The redemption price of shares will be at the next-determined NAV per share. Redemption proceeds generally will be wired to the administrator within one business day following receipt of the redemption request, but no later than seven business days. Contract owners will receive their redemption checks from the administrator.

Under normal circumstances, the Portfolio typically expects to meet redemptions with positive cash flows. When this is not an option, the Portfolio seeks to maintain its risk exposure by selling a cross section of the Portfolio's holdings to meet redemptions, while also factoring in transaction costs. Additionally, the Portfolio may work with the insurance companies through which contract owners participate in the Portfolio to implement redemptions in a manner that is least disruptive to the portfolio.

Under certain circumstances, including under stressed market conditions, there are additional tools that the Portfolio may use in order to meet redemptions, including advancing the settlement of market trades with counterparties to match investor redemption payments or delaying settlement of an investor's transaction to match trade settlement within regulatory requirements. The Portfolio may also suspend payment of redemption proceeds for up to seven days. Additionally, under these unusual circumstances, the Portfolio may borrow money (subject to certain regulatory conditions and if available under board-approved procedures) through an interfund lending facility; through a bank line-of-credit, including a joint committed credit facility; or through an uncommitted line-of-credit from Vanguard in order to meet redemption requests.

The Portfolio may suspend the redemption right or postpone payment at times when the NYSE is closed or during any emergency circumstances, as determined by the SEC.

The exchange privilege (your ability to redeem shares from one Portfolio to purchase shares of another Portfolio) may be available to you through your contract. Although we make every effort to maintain the exchange privilege, Vanguard reserves the right to revise or terminate this privilege, limit the amount of an exchange, or reject any exchange, at any time, without notice.

If the Board determines that it would be detrimental to the best interests of the Portfolio's remaining shareholders to make payment in cash, the Portfolio may pay redemption proceeds, in whole or in part, by an in-kind distribution of readily marketable securities.

For certain categories of investors, the Portfolio has authorized one or more brokers to accept on its behalf purchase and redemption orders. The brokers are authorized to designate other intermediaries to accept purchase and redemption orders on the Portfolio's behalf. The Portfolio will be deemed to have received a purchase or redemption order when an authorized broker, or a broker's authorized designee, accepts the order in accordance with the Portfolio's instructions. In most cases, for these categories of investors, a contract owner's properly transmitted order will be priced at the Portfolio's next-determined NAV after the order is accepted by the authorized broker or the broker's designee. The contract owner should review the authorized broker's policies relating to trading in the Vanguard funds.

Please consult the Portfolio's *Statement of Additional Information* or our website for a description of the policies and procedures that govern disclosure of the Portfolio's portfolio holdings.

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Glossary of Investment Terms

Bloomberg Barclays U.S. Aggregate Bond Index. An index that is the broadest measure of the taxable U.S. bond market, including most U.S. Treasury, agency, corporate, mortgage-backed, asset-backed, and international dollar-denominated issues, all with investment-grade ratings (rated Baa3 or above by Moody's) and maturities of 1 year or more.

Bond. A debt security (IOU) issued by a corporation, a government, or a government agency in exchange for the money the bondholder lends it. In most instances, the issuer agrees to pay back the loan by a specific date and generally to make regular interest payments until that date.

Capital Gains Distributions. Payments to portfolio shareholders of gains realized on securities that a portfolio has sold at a profit, minus any realized losses.

Cash Equivalent Investments. Cash deposits, short-term bank deposits, and money market instruments that include U.S. Treasury bills and notes, bank certificates of deposit (CDs), repurchase agreements, commercial paper, and banker's acceptances.

Common Stock. A security representing ownership rights in a corporation.

Coupon Rate. The interest rate paid by the issuer of a debt security until its maturity. It is expressed as an annual percentage of the face value of the security.

Dividend Distributions. Payments to portfolio shareholders of income from interest or dividends generated by a portfolio's investments.

Dow Jones U.S. Total Stock Market Float Adjusted Index. An index that represents the entire U.S. stock market and tracks more than 5,000 stocks, excluding shares of securities not available for public trading.

Duration. A measure of the sensitivity of bond—and bond portfolio—prices to interest rate movements. For example, if a bond has a duration of two years, its price would fall by approximately 2% when interest rates rise by 1%. On the other hand, the bond's price would rise by approximately 2% when interest rates fall by 1%.

Expense Ratio. A portfolio's total annual operating expenses expressed as a percentage of the portfolio's average net assets. The expense ratio includes management and administrative expenses, but it does not include the transaction costs of buying and selling portfolio securities.

Face Value. The amount to be paid at a bond's maturity; also known as the par value or principal.

Fixed Income Security. An investment, such as a bond, representing a debt that must be repaid by a specified date, and on which the borrower may pay a fixed, variable, or floating rate of interest.

Inception Date. The date on which the assets of a portfolio are first invested in accordance with the portfolio's investment objective. For portfolios with a subscription period, the inception date is the day after that period ends. Investment performance is generally measured from the inception date.

Investment-Grade Bond. A debt security whose credit quality is considered by independent bond rating agencies, or through independent analysis conducted by a portfolio's advisor, to be sufficient to ensure timely payment of principal and interest under current economic circumstances. Debt securities rated in one of the four highest rating categories are considered investment-grade. Other debt securities may be considered by an advisor to be investment-grade.

Joint Committed Credit Facility. The Portfolio participates, along with other funds managed by Vanguard, in a committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each Vanguard fund is individually liable for its borrowings, if any, under the credit facility. The amount and terms of the committed credit facility are subject to approval by the Portfolio's board of trustees and renegotiation with the lender syndicate on an annual basis.

Median Market Capitalization. An indicator of the size of companies in which a portfolio invests; the midpoint of market capitalization (market price x shares outstanding) of a portfolio's stocks, weighted by the proportion of the portfolio's assets invested in each stock. Stocks representing half of the portfolio's assets have market capitalizations above the median, and the rest are below it.

Mutual Fund. An investment company that pools the money of many people and invests it in a variety of securities in an effort to achieve a specific objective over time.

New York Stock Exchange (NYSE). A stock exchange based in New York City that is open for regular trading on business days, Monday through Friday, from 9:30 a.m. to 4 p.m., Eastern time.

Principal. The face value of a debt instrument or the amount of money put into an investment.

Return of Capital. A return of capital occurs when a portfolio's distributions exceed its earnings in a fiscal year. A return of capital is a return of all or part of your original investment or amounts paid in excess of your original investment in a portfolio. In general, a return of capital reduces your cost basis in a portfolio's shares and is not taxable to you until your cost basis has been reduced to zero.

Securities. Stocks, bonds, money market instruments, and other investments.

Total Return. A percentage change, over a specified time period, in a portfolio's net asset value, assuming the reinvestment of all distributions of dividends and capital gains.

Volatility. The fluctuations in value of a mutual fund or other security. The greater a portfolio's volatility, the wider the fluctuations in its returns.

Yield. Income (interest or dividends) earned by an investment, expressed as a percentage of the investment's price.



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For More Information

If you would like more information about Vanguard Variable Insurance Funds Balanced Portfolio, the following documents are available free upon request:

Annual/Semiannual Reports to Shareholders

Additional information about the Portfolio's investments is available in the Portfolio's annual and semiannual reports to shareholders. In the annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Portfolio's performance during its last fiscal year.

Statement of Additional Information (SAI)

The SAI provides more detailed information about the Portfolio and is incorporated by reference into (and thus legally a part of) this prospectus.

To receive a free copy of the latest annual or semiannual reports or the SAI, or to request additional information about the Portfolio or other Vanguard funds, please visit vanguard.com or contact us as follows:

Telephone: 800-522-5555; Text telephone for people with hearing impairment: 800-749-7273

Information Provided by the Securities and Exchange Commission (SEC)

Reports and other information about the Portfolio are available in the EDGAR database on the SEC's website at www.sec.gov, or you can receive copies of this information, for a fee, by electronic request at the following email address: publicinfo@sec.gov.

Portfolio's Investment Company Act file number: 811-05962