

Vanguard VIF High Yield Bond Portfolio

Investment Strategy from investment's prospectus

The investment seeks to provide a high level of current income. The fund invests primarily in a diversified group of high-yielding, higher-risk corporate bonds—commonly known as "junk bonds"—with medium- and lower-range credit-quality ratings. It invests at least 80% of its assets in corporate bonds that are rated below Baa. The fund may not invest more than 20% of its assets in any of the following, in the aggregate: bonds with credit ratings lower than B or the equivalent, convertible securities, preferred stocks, and fixed and floating rate loans of medium- to lower-range credit quality.

Category Description: High Yield Bond

High-yield bond portfolios concentrate on lower-quality bonds. Because such bonds are riskier than those of higher-quality companies, they offer higher coupons to attract investors. Therefore, these funds generally offer higher yields than other types of funds, but they are also more vulnerable to economic and credit risk. While defaults have been rare lately, these funds can suffer losses from recessions and bankruptcies.

Operations

Fund Inception Date	06-03-96
Initial Share Class Inception Date	06-03-96
Advisor	The Vanguard Group, Inc
Subadvisor	—

Fees and Expenses as of 05-02-22

Gross Prospectus Expense Ratio	0.26%
Net Prospectus Expense Ratio	0.26%

Waiver Data	Type	Exp.Date	%
—	—	—	—

Portfolio Manager(s)

Michael L. Hong, CFA, A.B., Harvard College. Since 2008.
 Michael Chang. Since 2022.

Portfolio Analysis as of 01-31-23

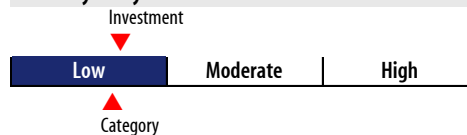
Composition as of 01-31-23



Top 20 Holdings as of 01-31-23

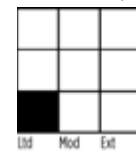
Holder	% Assets
United States Treasury Notes	1.19
Imola Merger Corp.	0.95
Herc Holdings Inc	0.81
T-Mobile US Inc	0.67
Mozart Debt Merger Subordinated Inc.	0.66
United States Treasury Bills	0.65
SS&C Technologies, Inc.	0.63
United States Treasury Notes	0.62
United States Treasury Notes	0.62
Credit Suisse Group AG	0.58
Iqvia Inc	0.58
Aercap Global Aviation Trust	0.55
Boyd Gaming Corporation	0.52
United States Treasury Notes	0.51
Energizer Holdings Inc	0.49
CCO Holdings, LLC/ CCO Holdings Capital Corp.	0.48
Frontier Communications Parent Inc	0.48
Caesars Entertainment Inc New	0.48
United States Treasury Notes	0.47
Performance Food Group Company	0.47
Total Number of Stock Holdings	—
Total Number of Bond Holdings	741
Annual Turnover Ratio %	34.00
Total Fund Assets (\$mil)	657.46

Volatility Analysis



In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Morningstar Style Box™ as of 01-31-23



Average Effective Duration	3.91
Average Effective Maturity	5.40

Risk Measures as of 03-31-23

Metric	Port Avg	BC Aggr	Category
3 Yr Std Dev	8.65	6.28	8.32
3 Yr Sharpe Ratio	0.45	-0.60	0.58
3 Yr Alpha	7.80	—	8.08
3 Yr Beta	1.05	—	0.92
3 Yr R-squared	57.24	—	47.24

Morningstar Sectors as of 01-31-23

Sector	%Fund	%Category
Government	4.88	1.45
Corporate	89.87	91.39
Securitized	0.09	1.13
Municipal	0.00	0.03
Cash and Equivalents	5.16	3.55
Other	0.01	2.45

Credit Analysis as of 01-31-23

Rating	%Bonds
AAA	5
AA	2
A	0
BBB	6
BB	50
B	33
Below B	3
NR/NA	1

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE