

Release Date: 03-31-2023

# Vanguard VIF Diversified Value Portfolio

## Investment Strategy from investment's prospectus

The investment seeks to provide long-term capital appreciation and income. The Portfolio invests mainly in large- and mid-capitalization companies whose stocks are considered by the advisor to be undervalued. Undervalued stocks are generally those that are out of favor with investors and that the advisor believes are trading at prices that are below average in relation to measures such as earnings and book value. These stocks often have above-average dividend yields.

## Category Description: Large Value

Large-value funds invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. These funds often feature investments in energy, financial or manufacturing sectors.

## Operations

Fund Inception Date	02-08-99
Initial Share Class Inception Date	02-08-99
Advisor	Hotchkis & Wiley Capital Management LLC
Subadvisor	—

## Fees and Expenses as of 05-02-22

Gross Prospectus Expense Ratio	0.28%
Net Prospectus Expense Ratio	0.28%

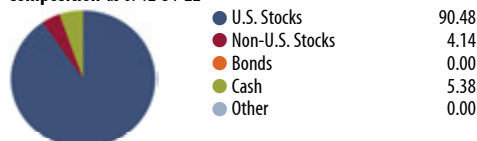
Waiver Data	Type	Exp.Date	%
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## Portfolio Manager(s)

Scott McBride, CFA. Since 2019.  
 Henry R. Seiden. B.B.A., University of Michigan (Ross). Since 2022.

## Portfolio Analysis as of 12-31-22

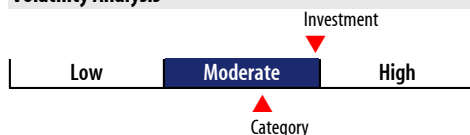
### Composition as of 12-31-22



### Top 20 Holdings as of 12-31-22

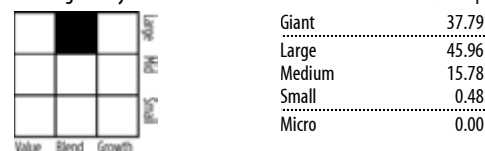
Company	% Assets
Microsoft Corp	5.29
Alphabet Inc Class A	3.67
Wells Fargo & Co	2.48
General Electric Co	2.48
Johnson & Johnson	2.44
Amazon.com Inc	2.00
Bank of America Corp	1.96
Citigroup Inc	1.87
Honeywell International Inc	1.78
Visa Inc Class A	1.76
Intercontinental Exchange Inc	1.69
American Express Co	1.57
American International Group Inc	1.42
Thermo Fisher Scientific Inc	1.36
McDonald's Corp	1.34
ConocoPhillips	1.32
Procter & Gamble Co	1.32
Medtronic PLC	1.30
Coca-Cola Co	1.29
Analog Devices Inc	1.26
Total Number of Stock Holdings	114
Total Number of Bond Holdings	—
Annual Turnover Ratio %	25.00
Total Fund Assets (\$mil)	1,082.78

## Volatility Analysis



In the past, this investment has shown a relatively moderate range of price fluctuations relative to other investments. This investment may experience larger or smaller price declines or price increases depending on market conditions. Some of this risk may be offset by owning other investments with different portfolio makeups or investment strategies.

### Morningstar Style Box™ as of 12-31-22



### Statistics as of 12-31-22

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	13.94	18.64	14.10
P/B Ratio	2.25	3.42	2.22
P/C Ratio	8.30	11.19	7.78
GeoAvgCap(\$mil)	109,758.24	188,808.39	115,230.77

### Risk Measures as of 03-31-23

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	19.62	19.23	18.27
3 Yr Sharpe Ratio	1.05	0.92	0.97
3 Yr Alpha	3.28	—	2.69
3 Yr Beta	0.98	—	0.85
3 Yr R-squared	91.38	—	80.82

### Morningstar Sectors as of 12-31-22

Sector	%Fund	S&P 500 %
Cyclical	31.82	27.88
Basic Materials	0.58	2.38
Consumer Cyclical	8.45	10.41
Financial Services	21.46	12.45
Real Estate	1.33	2.64
Sensitive	45.84	47.81
Communication Services	7.91	8.11
Energy	8.02	4.61
Industrials	12.06	8.43
Technology	17.85	26.66
Defensive	22.33	24.31
Consumer Defensive	6.68	7.18
Healthcare	14.70	14.27
Utilities	0.95	2.86

## 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