

Vanguard VIF Short-Term Investment-Grade Portfolio

Investment Strategy from investment's prospectus

The investment seeks to provide current income while maintaining limited price volatility. The fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed income securities. Under normal circumstances, at least 80% of its assets will be invested in short- and intermediate-term investment-grade securities. High-quality fixed income securities are those rated the equivalent of A3 or better; medium-quality fixed income securities are those rated the equivalent of Baa1, Baa2, or Baa3. It is expected to maintain a dollar-weighted average maturity of 1 to 4 years.

Past name: Vanguard Var Ins Fund Short Term Corp.

Category Description: Short-Term Bond

Short-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 1.0 to 3.5 years. These portfolios are attractive to fairly conservative investors, because they are less sensitive to interest rates than portfolios with longer durations.

Operations

| | |
|------------------------------------|--------------------|
| Fund Inception Date | 02-08-99 |
| Initial Share Class Inception Date | 02-08-99 |
| Advisor | The Vanguard Group |
| Subadvisor | — |

Fees and Expenses as of 04-28-23

| | |
|--------------------------------|-------|
| Gross Prospectus Expense Ratio | 0.14% |
| Net Prospectus Expense Ratio | 0.14% |

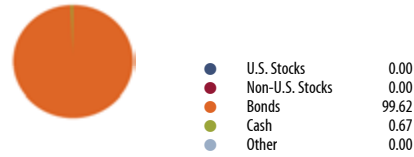
| Waiver Data | Type | Exp.Date | % |
|-------------|------|----------|---|
| — | — | — | — |

Portfolio Manager(s)

Daniel Shaykevich. B.S., Carnegie Mellon University, 2001. Since 2018.
Arvind Narayanan. Since 2019.

Portfolio Analysis as of 03-31-23

Composition as of 03-31-23



Top 20 Holdings as of 03-31-23

| Security | % Assets |
|---|----------|
| United States Treasury Notes | 1.99 |
| United States Treasury Notes | 1.97 |
| United States Treasury Notes | 1.75 |
| United States Treasury Notes | 1.51 |
| United States Treasury Notes | 0.80 |
| United States Treasury Notes | 0.72 |
| United States Treasury Notes | 0.67 |
| United States Treasury Notes | 0.63 |
| The Boeing Company | 0.54 |
| United States Treasury Notes | 0.48 |
| United States Treasury Notes | 0.46 |
| United States Treasury Notes | 0.40 |
| Charter Communications Operating, LLC/Charter Communications Operating Capi | 0.40 |
| United States Treasury Notes | 0.39 |
| T-Mobile USA, Inc. | 0.38 |
| The Boeing Company | 0.35 |
| The Boeing Company | 0.34 |
| AbbVie Inc. | 0.34 |
| Walmart Inc | 0.33 |
| United States Treasury Notes | 0.33 |
| Total Number of Stock Holdings | — |
| Total Number of Bond Holdings | 1853 |
| Annual Turnover Ratio % | 86.00 |
| Total Fund Assets (\$mil) | 2,195.78 |

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 03-31-23



| | |
|----------------------------|------|
| Average Effective Duration | 2.68 |
| Average Effective Maturity | 2.90 |


Risk Measures as of 06-30-23

| Metric | Port Avg | BC Aggr | Category |
|-------------------|----------|---------|----------|
| 3 Yr Std Dev | 3.14 | 6.17 | 2.73 |
| 3 Yr Sharpe Ratio | -0.77 | -0.89 | -0.79 |
| 3 Yr Alpha | 0.20 | — | 0.10 |
| 3 Yr Beta | 0.48 | — | 0.38 |
| 3 Yr R-squared | 89.47 | — | 74.89 |

Morningstar Sectors as of 03-31-23

| Sector | %Fund | %Category |
|----------------------|-------|-----------|
| Government | 14.73 | 29.01 |
| Corporate | 81.00 | 36.17 |
| Securitized | 3.53 | 28.55 |
| Municipal | 0.06 | 0.31 |
| Cash and Equivalents | 0.57 | 4.42 |
| Other | 0.10 | 1.54 |

Credit Analysis as of 03-31-23



| Rating | %Bonds |
|---------|--------|
| AAA | 16 |
| AA | 3 |
| A | 33 |
| BBB | 46 |
| BB | 0 |
| B | 0 |
| Below B | 1 |
| NR/NA | 0 |

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