

This annual shareholder report contains important information about Balanced Portfolio (the "Fund") for the period of January 1, 2024, to December 31, 2024. You can find additional information about the Fund at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>. You can also request this information by contacting us at 800-662-7447.

What were the Fund costs for the last year?

(based on a hypothetical \$10,000 investment)

Share Class Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Vanguard Variable Insurance Funds - Balanced Portfolio	\$21	0.20%

How did the Fund perform during the reporting period?

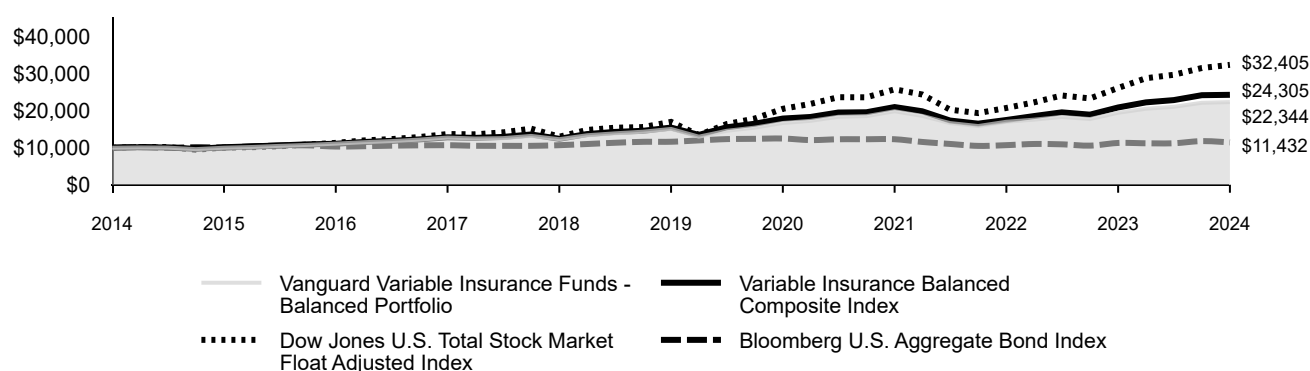
- For the 12 months ended December 31, 2024, the Fund underperformed its composite benchmark.
- U.S. economic growth hovered around 3% on a year-over-year basis for much of the period, and consumer price inflation trended lower, falling below 3% in July. The Federal Reserve began cutting short-term interest rates in September, boosting stock returns, but sticky inflation and solid growth reduced expectations for further rate cuts, which weighed on bond prices.
- The Fund's stocks fell short of the 25.02% return of the Standard & Poor's 500 Index, the equity portion of the composite benchmark. Stock selection in financials and communication services outpaced those in the index, but this was more than offset by lagging performance in information technology and other sectors.
- The Fund's bonds slightly outperformed the 1.52% return of their benchmark, the Bloomberg U.S. Credit A or Better Bond Index. Security selection more than offset an underweight to duration.
- Note that the Fund's returns differ from those of variable annuity products that invest in the Fund. Annuity returns take insurance-related fees and expenses into account, and the Fund's returns do not.

How did the Fund perform over the past 10 years?

Keep in mind that the Fund's past performance does not indicate how the Fund will perform in the future. Updated performance information is available on our website at vanguard.com/performance or by calling Vanguard toll-free at 800-662-7447. The graph and returns shown do not reflect taxes that a shareholder would pay on fund distributions or on the sale of fund 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 Fund's returns would be lower.

Cumulative Performance: December 31, 2014, Through December 31, 2024

Initial Investment of \$10,000



Average Annual Total Returns

	1 Year	5 Years	10 Years
Vanguard Variable Insurance Funds - Balanced Portfolio	14.80%	8.18%	8.37%
Variable Insurance Balanced Composite Index	16.35%	9.48%	9.29%
Dow Jones U.S. Total Stock Market Float Adjusted Index	23.88%	13.78%	12.48%
Bloomberg U.S. Aggregate Bond Index	1.25%	-0.33%	1.35%

Fund Statistics (as of December 31, 2024)	
Fund Net Assets (in millions)	\$3,535
Number of Portfolio Holdings	1,438
Portfolio Turnover Rate	64%
Total Investment Advisory Fees (in thousands)	\$1,543

This table reflects the Fund's investments, including short-term investments, derivatives and other assets and liabilities.

Portfolio Composition % of Net Assets (as of December 31, 2024)	
Communication Services	7.9%
Consumer Discretionary	9.2%
Consumer Staples	2.9%
Energy	4.5%
Financials	18.9%
Health Care	8.3%
Industrials	4.8%
Information Technology	22.5%
Materials	0.9%
Other	11.9%
Real Estate	1.9%
Utilities	5.0%
Other Assets and Liabilities—Net	1.3%

Where can I find additional information about the Fund?

Additional information about the Fund, including its prospectus, financial information, holdings, and proxy voting information is available at <https://personal1.vanguard.com/ngf-next-gen-form-webapp/fund-literature>.

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