

ANNUAL REPORT

For Period Ended December 31, 2017

This booklet contains the annual report for the Ultra Series Fund and Vanguard Variable Insurance Fund in which each of the CMFG Variable Annuity Account and CMFG Variable Life Insurance Account invests:

Conservative Allocation, Moderate Allocation, Aggressive Allocation, Core Bond, High Income, Diversified Income, Large Cap Value, Large Cap Growth, Mid Cap, and International Stock Funds, each a series of the Ultra Series Fund.

Vanguard Variable Insurance Fund Money Market Portfolio, a series of the Vanguard Insurance Fund.

MEMBERS® Variable Annuity

MEMBERS® Variable Annuity II

MEMBERS® Choice Variable Annuity

MEMBERS® Variable Annuity III

MEMBERS® Variable Universal Life

MEMBERS® Variable Universal Life II

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ANNUAL REPORT

To reduce service expenses, CMFG Life Insurance Company may send only one copy of this booklet per household, regardless of the number of owners at the household. However, any owner may obtain additional copies of this booklet upon request to CMFG Life Insurance Company.

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Special Notes

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Table of Contents

	Page
Management's Discussion of Fund Performance	
Period in Review	2
Allocation Funds	3
Conservative Allocation Fund	3
Moderate Allocation Fund	4
Aggressive Allocation Fund	6
Core Bond Fund	7
High Income Fund	9
Diversified Income Fund	10
Large Cap Value Fund	11
Large Cap Growth Fund	12
Mid Cap Fund	13
International Stock Fund	14
Notes to Management's Discussion of Fund Performance	17
Portfolios of Investments	
Conservative Allocation Fund	19
Moderate Allocation Fund	20
Aggressive Allocation Fund	21
Core Bond Fund	22
High Income Fund	26
Diversified Income Fund	28
Large Cap Value Fund	33
Large Cap Growth Fund	34
Mid Cap Fund	35
International Stock Fund	36
Financial Statements	
Statements of Assets and Liabilities	38
Statements of Operations	40
Statements of Changes in Net Assets	42
Financial Highlights for a Share of Beneficial Interest Outstanding	46
Notes to Financial Statements	56
Report of Independent Registered Public Accounting Firm	72
Other Information	73
Trustees and Officers	81

Nondeposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of or guaranteed by any financial institution. For more complete information about Ultra Series Fund, including charges and expenses, request a prospectus from your financial advisor or from CMFG Life Insurance Company, 2000 Heritage Way, Waverly, IA 50677. Consider the investment objectives, risks, and charges and expenses of any fund carefully before investing. The prospectus contains this and other information about the investment company. For more current Ultra Series Fund performance information, please call 1-800-670-3600. Current performance may be lower or higher than the performance data quoted within. Past performance does not guarantee future results. Nothing in this report represents a recommendation of a security by the investment adviser. Portfolio holdings may have changed since the date of this report.

Management's Discussion of Fund Performance (unaudited)

PERIOD IN REVIEW

The fourth quarter capped a perfect year for stock investors as the S&P 500® Index delivered positive returns every month in 2017, a first based on data going back to 1928. Although bond returns were mixed during the quarter, results were positive for the year despite the Federal Reserve (Fed) increasing short-term interest rates three times over the last twelve months. During the fourth quarter, the S&P 500® gained 6.64%, the Russell Midcap® Index rose 6.07% and the MSCI EAFE® (net) Index advanced 4.23% (3.66% excluding currency effect). The Bloomberg Barclays Intermediate Government/Credit Index declined 0.20% while the Bloomberg Barclays Aggregate Index gained 0.39% during the quarter. Equity market returns for 2017 were outstanding as the S&P 500® Index returned 21.83%, the Russell Midcap® Index advanced 18.52% and the MSCI EAFE® (net) Index gained 25.03% (15.23% excluding currency effect). Bond performance was also positive during 2017 as the Bloomberg Barclays Intermediate Government/Credit Index gained 2.14% and the Bloomberg Barclays Aggregate Index advanced 3.54% for the year.

A year ago we opined that, with asset values stretched, economic and earnings growth would likely be necessary to support continued gains in the equity markets. This occurred during 2017 as both global economic activity and company earnings not only grew but accelerated into year-end. All 35 OECD (Organization for Economic Cooperation and Development) countries reported positive economic growth during 2017 for the first time since 2007. S&P 500® company earnings reached all-time highs and, with the recent tax cut, expectations are that earnings will grow another 16% in 2018.

Concerns over an unpredictable government administration caused little concern for the markets as the administration's business-friendly reduction in regulations and tax cuts spawned optimism that long-missing business spending may soon materialize. The resilience of the equity market was impressive as it surged in the face of geopolitical turmoil, dysfunction in Washington and natural disasters. In fact, the largest pull-back in the market during the year was just 3%.

During the fourth quarter, real U.S. Gross Domestic Product (GDP) growth for the third quarter was revised to 3.2%, marking the second consecutive quarter of 3%+ growth. The unemployment rate fell again in the fourth quarter to 4.1%, the lowest rate since December of 2000, and manufacturing continued to grow, driven by renewed strength in the global economy and a weak U.S. dollar. The United States has now added jobs for 86 straight months, the longest streak on record. While wage increases have been modest, household income – which includes not only hourly wages but also hours worked – has shown strong gains. Companies are now reveling in the best opportunities they have seen in years. Strong profit growth was reported in all sectors, although Energy, Materials and Technology companies recorded the strongest gains. Overall earnings growth of the S&P 500® companies was near 10% for the year, with top-line sales growth of over 6%. Although 10% earnings growth was impressive, it didn't keep pace with the 20% advance of the S&P 500® Index, implying that rich stock valuations got even richer during the period.

As the second longest bull market on record continues to push ahead, it's likely that a few factors may change in 2018 – inflation, interest rates and monetary policy. In December, the Fed boosted its target Federal Funds rate range by 0.25% (up to 1.25% to 1.5%) and projected three additional hikes in 2018. While rising short-term rates didn't deter the stock market in 2017, it's likely that some level of interest rates may entice investors back to a "guaranteed" rate of return. With the S&P 500® trading at approximately 20 times earnings, the earnings yield is 5% (the inverse of P/E or 1/20) and we suspect that the closer to this level interest rates rise, the closer we may be to a "tipping point" for investors favoring bonds over stocks. As we've highlighted in previous letters, timing the market is nearly impossible to do with any degree of accuracy, as a slight mistiming can wreak havoc on investor returns. With this in mind, we continue to believe that stocks of lower-risk, higher-quality companies, along with shorter-duration, higher-quality bonds, will allow investors to participate in the market and provide some shelter should volatility return to more typical levels.

ALLOCATION FUNDS

The Ultra Series Conservative Allocation, Moderate Allocation and Aggressive Allocation Funds (the “Funds”) invest primarily in shares of registered investment companies (the “Underlying Funds”). The Funds will be diversified among a number of asset classes and their allocation among Underlying Funds will be based on an asset allocation model developed by Madison Asset Management, LLC (“Madison”), the Funds’ investment adviser. The team may use multiple analytical approaches to determine the appropriate asset allocation, including:

- **Asset allocation optimization analysis** – considers the degree to which returns in different asset classes do or do not move together, and the Funds’ aim to achieve a favorable overall risk profile for any targeted portfolio return.
- **Scenario analysis**– historical and expected return data is analyzed to model how individual asset classes and combinations of asset classes would affect the Funds under different economic and market conditions.
- **Fundamental analysis** – draws upon Madison’s investment teams to judge each asset class against current and forecasted market conditions. Economic, industry and security analysis is used to develop return and risk expectations that may influence asset class selection. In addition, Madison has a flexible mandate which permits the Funds, at the sole discretion of Madison, to materially reduce equity risk exposures when and if conditions are deemed to warrant such an action.

CONSERVATIVE ALLOCATION FUND

INVESTMENT STRATEGY HIGHLIGHTS

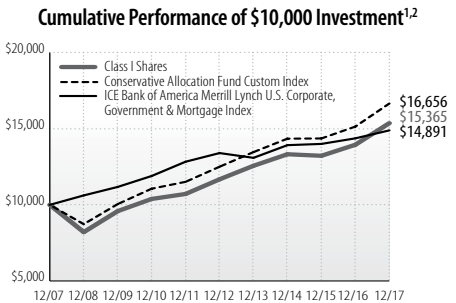
Under normal circumstances, the Ultra Series Conservative Allocation Fund’s total net assets will be allocated among various asset classes and Underlying Funds, including those whose shares trade on a stock exchange (exchange traded funds or “ETFs”), with target allocations over time of approximately 35% equity investments and 65% fixed income investments. Underlying Funds in which the Fund invests may include funds advised by Madison and/or its affiliates, including the Madison Funds (the “Affiliated Underlying Funds”). Generally, Madison will not invest more

than 75% of the Fund’s net assets, at the time of purchase, in Affiliated Underlying Funds. Although actual allocations may vary, as of December 31, 2017, the Fund’s asset allocation was:

PORTFOLIO ALLOCATION AS A PERCENTAGE OF NET ASSETS AS OF 12/31/17

Alternative Funds	2.0%	Money Market Funds	2.3%
Bond Funds	57.9%	Stock Funds	24.1%
Foreign Stock Funds	13.5%	Net Other Assets and Liabilities	0.2%

PERFORMANCE



The Ultra Series Conservative Allocation Fund (Class I) returned 10.17% over the 12-month period, slightly outperforming the Conservative Allocation Fund Custom Index return of 10.00%. The Fund lagged the Morningstar Conservative Allocation Category peer group, which returned 10.86%.

For the first time in history, the S&P 500® Index produced a positive return in all 12 calendar months for 2017. Overall, the streak stands at 14 consecutive positive months as of 12/31/2017. Just as noteworthy, if not more so, has been the vanishing of market volatility. The trailing one-year standard deviation of the Index stood at 4% versus the long-term average of roughly 14.5%. Given our conservative DNA, we are quite pleased with how well the Fund kept pace over what has been a remarkable run in the global equity markets. Overall, the Fund captured 102% of the benchmark’s return for the year. A timely move toward international equities late in 2016 was the most notable contributor to 2017 performance as foreign stocks outperformed. Other positives included relative overweight allocations to U.S. growth stocks, European equities, corporate bonds and long-term Treasuries. A modest

underweight to equities overall, and overweight allocations to U.S. mid cap stocks and hedged Japanese equities were the largest detractors from performance.

Years of consistently low U.S. inflation have provided our U.S. central bank the Fed with the justification and conviction to provide massive levels of monetary stimulus. Importantly, this has been true in terms of both scale and longevity. The Fed's primary goal since the 2007-09 global financial crisis has been to "reflate" and stimulate the real economy. In reality, the Fed has instead been more successful at "inflating" the value of virtually all investment asset classes. The median U.S. stock, for example, is now trading near all-time record high valuation levels relative to both current and (normalized) long-term earnings. In our view, this level of valuation extreme is not justified given the elevated levels of uncertainty that both global economies (unprecedented debt levels) and established companies (pervasive disruption risk) are facing. Our perspective, then, is that today's "concocted" increase in asset class valuations is not primarily based on prospects for improving economic fundamentals but rather the cumulative influence of pervasive liquidity and historically low interest rates on investor confidence and financial leverage.

It may sound like a broken record, but our portfolio strategies remain primarily focused on capital preservation. Incremental allocations continue to focus on international equities. In our view, the best investment values continue to be found in high quality U.S. and international large-cap equities, equities with links to commodities (especially oil) and high quality bonds. We believe that lower-quality, higher-risk asset classes are overpriced; our expectation is that the gradual removal of global central bank accommodation, currently scheduled to accelerate in 2018 (led by the Fed), could very well begin to normalize at least some of these extraordinary valuations.

Finally, global debt levels remain elevated and are also near record amounts relative to GDP. Inflationary pressures are slowly building, which could put some modest upward pressure on interest rates. Accordingly, we are making greater use of Treasury Inflation-Protected Securities (TIPS).

However, we believe that any upward trajectory in interest rates will be constrained due to the extraordinary levels of global debt.

We are confident the Fund remains well-positioned for a growth-challenged global economy. We also understand and embrace our ongoing responsibility to insightfully differentiate between attractive and less attractive asset classes as we strive to deliver superior risk-adjusted returns. As always, we sincerely appreciate your support.

Average Annual Total Return (%) through December 31, 2017 ^{1,2}					
	1 Year	3 Years	5 Years	10 Year	Since 5/1/09 Inception
Ultra Series Conservative Allocation, Class I	10.17	4.87	5.64	4.39	—
Ultra Series Conservative Allocation, Class II	9.90	4.60	5.38	—	7.05
Conservative Allocation Fund Custom Index	10.00	5.10	5.90	5.23	7.66
ICE BofAML US Corp, Govt & Mortg Index	3.63	2.27	2.13	4.06	3.95

See accompanying Notes to Management's Discussion of Fund Performance.

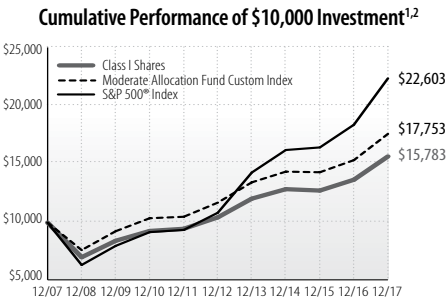
MODERATE ALLOCATION FUND

INVESTMENT STRATEGY HIGHLIGHTS

Under normal circumstances, the Ultra Series Moderate Allocation Fund's total net assets will be allocated among various asset classes and Underlying Funds, including ETFs, with target allocations over time of approximately 60% equity investments and 40% fixed income investments. Underlying Funds in which the Fund invests may include Affiliated Underlying Funds. Generally, Madison will not invest more than 75% of the Fund's net assets, at the time of purchase, in Affiliated Underlying Funds. Although actual allocations may vary, as of December 31, 2017, the Fund's asset allocation was:

PORTFOLIO ALLOCATION AS A PERCENTAGE OF NET ASSETS AS OF 12/31/17			
Alternative Funds	2.0%	Money Market Funds	1.2%
Bond Funds	33.7%	Stock Funds	39.7%
Foreign Stock Funds	23.3%	Net Other Assets and Liabilities	0.1%

PERFORMANCE



The Ultra Series Moderate Allocation Fund (Class I) returned 14.80% over the 12-month period, roughly matching the Moderate Allocation Fund Custom Index return of 14.84%. The Fund slightly outperformed the Morningstar Moderate Allocation Category peer group, which returned 14.76%.

For the first time in history, the S&P 500® Index produced a positive return in all 12 calendar months for 2017. Overall, the streak stands at 14 consecutive positive months as of 12/31/2017. Just as noteworthy, if not more so, has been the vanishing of market volatility. The trailing one-year standard deviation of the Index stood at 4% versus the long-term average of roughly 14.5%. Given our conservative DNA, we are quite pleased with how well the Fund kept pace over what has been a remarkable run in the global equity markets. Overall, the Fund captured 100% of the benchmark's return for the year. A timely move toward international equities late in 2016 was the most notable contributor to 2017 performance as foreign stocks outperformed. Other positives included relative overweight allocations to U.S. growth stocks, European equities, corporate bonds and long-term Treasuries. A modest underweight to equities overall, and overweight allocations to U.S. mid cap stocks and hedged Japanese equities were the largest detractors from performance.

Years of consistently low U.S. inflation have provided our U.S. central bank the Fed with the justification and conviction to provide massive levels of monetary stimulus. Importantly, this has been true in terms of both scale and longevity. The Fed's primary goal since the 2007-09

global financial crisis has been to "reflate" and stimulate the real economy. In reality, the Fed has instead been more successful at "inflating" the value of virtually all investment asset classes. The median U.S. stock, for example, is now trading near all-time record high valuation levels relative to both current and (normalized) long-term earnings. In our view, this level of valuation extreme is not justified given the elevated levels of uncertainty that both global economies (unprecedented debt levels) and established companies (pervasive disruption risk) are facing. Our perspective, then, is that today's "concocted" increase in asset class valuations is not primarily based on prospects for improving economic fundamentals but rather the cumulative influence of pervasive liquidity and historically low interest rates on investor confidence and financial leverage.

It may sound like a broken record, but our portfolio strategies remain primarily focused on capital preservation. Incremental allocations continue to focus on international equities. In our view, the best investment values continue to be found in high quality U.S. and international large-cap equities, equities with links to commodities (especially oil) and high quality bonds. We believe that lower-quality, higher-risk asset classes are overpriced; our expectation is that the gradual removal of global central bank accommodation, currently scheduled to accelerate in 2018 (led by the Fed), could very well begin to normalize at least some of these extraordinary valuations.

Finally, global debt levels remain elevated and are also near record amounts relative to GDP. Inflationary pressures are slowly building, which could put some modest upward pressure on interest rates. Accordingly, we are making greater use of TIPS. However, we believe that any upward trajectory in interest rates will be constrained due to the extraordinary levels of global debt.

We are confident the Fund remains well-positioned for a growth-challenged global economy. We also understand and embrace our ongoing responsibility to insightfully differentiate between attractive and less attractive asset classes as we strive to deliver superior risk-adjusted returns. As always, we sincerely appreciate your support.

Average Annual Total Return (%) through December 31, 2017^{1,2}

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Moderate Allocation, Class I	14.80	6.89	8.58	4.67	—
Ultra Series Moderate Allocation, Class II	14.52	6.62	8.31	—	9.44
Moderate Allocation Fund Custom Index	14.84	7.09	8.61	5.91	10.22
S&P 500® Index	21.83	11.41	15.79	8.50	16.15

See accompanying Notes to Management’s Discussion of Fund Performance.

AGGRESSIVE ALLOCATION FUND

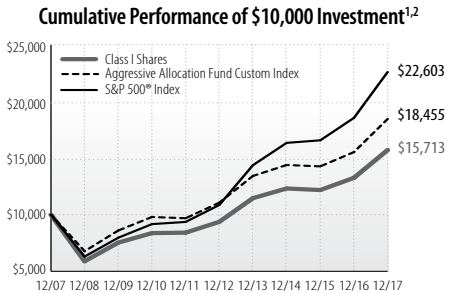
INVESTMENT STRATEGY HIGHLIGHTS

Under normal circumstances, the Ultra Series Aggressive Allocation Fund’s total net assets will be allocated among various asset classes and Underlying Funds, including ETFs, with target allocations over time of approximately 80% equity investments and 20% fixed income investments. Underlying Funds in which the Fund invests may include Affiliated Underlying Funds. Generally, Madison will not invest more than 75% of Fund’s net assets, at the time of purchase, in Affiliated Underlying Funds. Although actual allocations may vary, as of December 31, 2017, the Fund’s asset allocation was:

PORTFOLIO ALLOCATION AS A PERCENTAGE OF NET ASSETS AS OF 12/31/17

Alternative Funds	2.0%	Money Market Funds	1.4%
Bond Funds	13.7%	Stock Funds	51.5%
Foreign Stock Funds	31.2%	Net Other Assets and Liabilities	0.2%

PERFORMANCE



The Ultra Series Aggressive Allocation Fund (Class I) returned 18.52% over the 12-month period, modestly underperforming the Aggressive Allocation Fund Custom Index return of 18.83%. The Fund outperformed the Morningstar Aggressive Allocation Category peer group, which returned 17.44%.

For the first time in history, the S&P 500® Index produced a positive return in all 12 calendar months for 2017. Overall, the streak stands at 14 consecutive positive months as of 12/31/2017. Just as noteworthy, if not more so, has been the vanishing of market volatility. The trailing one-year standard deviation of the Index stood at 4% versus the long-term average of roughly 14.5%. Given our conservative DNA, we are quite pleased with how well the Fund kept pace over what has been a remarkable run in the global equity markets. Overall, the Fund captured 98% of the benchmark’s return for the year. A timely move toward international equities late in 2016 was the most notable contributor to 2017 performance as foreign stocks outperformed. Other positives included relative overweight allocations to U.S. growth stocks, European equities and long-term Treasuries. A modest underweight to equities overall, and overweight allocations to U.S. mid cap stocks and hedged Japanese equities were the largest detractors from performance.

Years of consistently low U.S. inflation have provided our U.S. central bank the Fed with the justification and conviction to provide massive levels of monetary stimulus. Importantly, this has been true in terms of both scale and longevity. The Fed’s primary goal since the 2007–09 global financial crisis has been to “reflate” and stimulate the real economy. In reality, the Fed has instead been more successful at “inflating” the value of virtually all investment asset classes. The median U.S. stock, for example, is now trading near all-time record high valuation levels relative to both current and (normalized) long-term earnings. In our view, this level of valuation extreme is not justified given the elevated levels of uncertainty that both global economies (unprecedented debt levels) and established companies (pervasive disruption risk) are facing. Our perspective, then, is that today’s “concocted” increase in asset class valuations is not primarily based on prospects for improving economic fundamentals but rather the cumulative influence of pervasive liquidity and historically low interest rates on investor confidence and financial leverage.

It may sound like a broken record, but our portfolio strategies remain primarily focused on capital preservation. Incremental allocations continue to focus on international equities. In our view, the best investment values continue to be found in high quality U.S. and international large-cap equities, equities with links to commodities (especially oil) and high quality bonds. We believe that lower-quality, higher-risk asset classes are overpriced; our expectation is that the gradual removal of global central bank accommodation, currently scheduled to accelerate in 2018 (led by the Fed), could very well begin to normalize at least some of these extraordinary valuations.

Finally, global debt levels remain elevated and are also near record amounts relative to GDP. Inflationary pressures are slowly building, which could put some modest upward pressure on interest rates. Accordingly, we are making greater use of TIPS. However, we believe that any upward trajectory in interest rates will be constrained due to the extraordinary levels of global debt.

We are confident the Fund remains well-positioned for a growth-challenged global economy. We also understand and embrace our ongoing responsibility to insightfully differentiate between attractive and less attractive asset classes as we strive to deliver superior risk-adjusted returns. As always, we sincerely appreciate your support.

Average Annual Total Return (%) through December 31, 2017^{1,2}

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Aggressive Allocation, Class I	18.52	8.45	10.90	4.62	—
Ultra Series Aggressive Allocation, Class II	18.22	8.18	10.62	—	11.44
Aggressive Allocation Fund Custom Index	18.83	8.65	10.78	6.32	12.23
S&P 500® Index	21.83	11.41	15.79	8.50	16.15

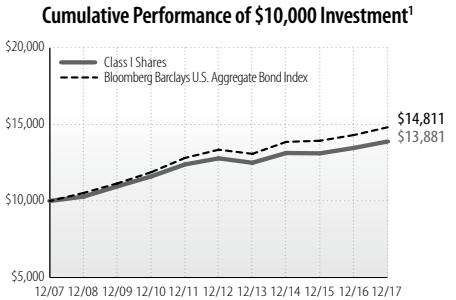
See accompanying Notes to Management’s Discussion of Fund Performance.

CORE BOND FUND

INVESTMENT STRATEGY HIGHLIGHTS

Under normal circumstances, the Ultra Series Core Bond Fund invests at least 80% of its net assets in bonds. To keep current income relatively stable and to limit share price volatility, the Fund emphasizes investment grade securities and maintains an intermediate (typically 3–7 year) average portfolio duration, with the goal of being between 85–115% of the market benchmark duration. The Fund also strives to add incremental return in the portfolio by making strategic decisions relating to credit risk, sector exposure and yield curve positioning. The Fund may invest in corporate debt securities, U.S. Government debt securities, foreign government debt securities, non-rated debt securities, and asset-backed, mortgage-backed and commercial mortgage-backed securities.

PERFORMANCE



The Ultra Series Core Bond Fund (Class I) returned 3.11% over the 12-month period, underperforming the Fund’s benchmark, the Bloomberg Barclays U.S. Aggregate® Bond Index, which returned 3.54%. The Morningstar Intermediate–Term Bond peer group returned 3.88% for the period.

An old adage states “may you live in interesting times.” There is debate about where the saying originated and whether it is a curse or blessing. However, if you view this adage through the market’s lens, the financial markets are acting as if nothing interesting at all will happen in coming years. Equity valuations are at elevated levels and risk premiums (“spreads”) on investment grade and high yield corporate bonds are at or near historical lows. Movements in nearly all asset classes, be they currencies, fixed income or equities, exhibited very subdued levels of volatility throughout 2017.

The probability of 2018 experiencing as little volatility as 2017 is very low when looking at the markets from a historical perspective. Few things hold true in financial markets, but one that does is that they are mean reverting and another is that trends last until they don't. If the markets do become more "interesting" in 2018, investors will have to decide if the old adage is a blessing or a curse.

A theme that persisted all year was the flattening of the Treasury yield curve. The yield on the 10-year U.S. Treasury Bond less the 2-year U.S. Treasury Bond ended the year at 52 basis points (bps) after starting the year at 125 bps. The flattening of the yield curve was mostly a function of the Fed raising interest rates three times during the year while longer maturity bond yields didn't move much due to low inflation. The two-year U.S. Treasury Bond ended the year near the high for the year at 1.88% versus starting 2017 at 1.20%. The curve shifts drove large differences among performance across the yield curve. During the year the Bloomberg Barclay's U.S. Intermediate Treasury® Index returned 1.14% versus the Bloomberg Barclay's U.S. Long Treasury Index® gaining 8.53%.

Market participants are currently pricing only two increases in Fed Funds rate while the Fed has stated an expectation of three rate hikes. If market expectations move towards the Fed's, there is a real possibility of a flat or inverted yield curve by year-end unless inflation expectations move meaningfully higher. We expect that inflation will pick-up and that there will be a term premium in the Treasury market by next year-end. This should steepen the yield curve and provide opportunities to extend duration in the Fund.

Another theme throughout 2017 was the strong performance of corporate bonds. The Bloomberg Barclay's U.S. Corporate Bond® Index had an excess return of 3.46% in 2017. Similar to Treasuries, there was a bifurcation in performance between intermediate corporate bonds, which returned 2.56% more than Treasuries, and long corporates, which had an excess return of 5.54%.

As mentioned above, spreads are at or near historically tight levels across the corporate bond market. With very low interest rates and narrow spreads, corporations are likely to issue a substantial amount of debt in 2018. Much of this debt will be from mergers and acquisitions activity and many market strategists believe this will be a near-record year for that type of activity. This type of behavior is classic late credit cycle activity and provides a source of risk going into 2018.

Positioning

As we enter 2018, the Fund will still be positioned in an overweight of spread product (non-Treasury issues) while having a more conservative duration (interest rate risk) position. If longer-term interest rates were to rise by a further 15 to 20 bps, we would look to become more neutral versus the benchmark within the 20- and 30-year bond segment. We still believe that the credit sectors remain expensive and, even though the Fund is currently overweight corporate bonds, we are actively looking to take advantage of swap opportunities to move up in quality.

Average Annual Total Return (%) through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Core Bond, Class I	3.11	1.87	1.66	3.33	—
Ultra Series Core Bond, Class II	2.85	1.61	1.41	—	3.17
Bloomberg Barclays U.S. Aggregate Bond Index	3.54	2.24	2.10	4.01	3.96

See accompanying Notes to Management's Discussion of Fund Performance.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

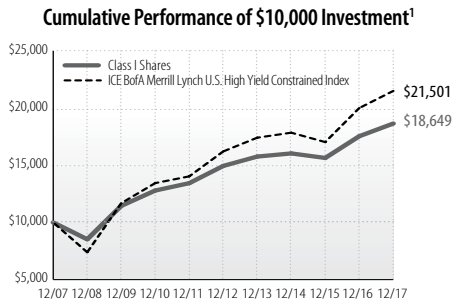
Asset Backed Securities	2.2%
Collateralized Mortgage Obligations	2.1%
Commercial Mortgage-Backed Securities	2.0%
Corporate Notes and Bonds	34.0%
Long Term Municipal Bonds	4.3%
Mortgage Backed Securities	26.5%
U.S. Government and Agency Obligations	26.2%
Money Market Funds	1.5%
Net Other Assets and Liabilities	1.2%

HIGH INCOME FUND

INVESTMENT STRATEGY HIGHLIGHTS

The Ultra Series High Income Fund invests primarily in lower-rated, higher-yielding income bearing securities, such as “junk” bonds. Because the performance of these securities has historically been strongly influenced by economic conditions, the Fund may rotate securities selection by business sector according to the economic outlook. Under normal market conditions, the Fund invests at least 80% of its net assets in bonds rated lower than investment grade (BBB/Baa) and their unrated equivalents or other high-yielding securities.

PERFORMANCE



The Ultra Series High Income Fund (Class I) returned 6.32% during the period, lagging the ICE Bank of America Merrill Lynch U.S. High Yield Constrained® Index's 7.48% return. The Fund also trailed its Morningstar High Yield Bond Category peer group, which returned 7.07%.

Overall, the high yield market experienced its second consecutive full-year of positive total returns. We believe the gains have been supported by positive fundamental and economic data, along with a favorable political backdrop. For the full-year 2017, high yield corporate bonds returned 7.47%, or about 181 bps below the average annual total return since 1987.

Within the high yield rating categories, CCC-rated bonds had the best annual total return at +10.59%, while BB-rated bonds trailed at +7.15% and B-rated bonds experienced a +6.74% total return. The outperformance by the CCC

category had a negative impact on the Fund, as we were underweight lower quality bonds and more volatile sectors. We intend to maintain our bias towards higher quality credit and a relatively higher cash position, particularly given the current valuations of high yield bonds.

On a sector level, the Fund had underexposure to Healthcare (+8.52%), Metals & Mining (+9.85%) and Steel (+10.09%), all of which outpaced the overall market return. The Fund also underperformed in its bond selection within the Telecom and Media sectors. Partially offsetting these negatives, the Fund had a positive contribution to performance from an overweight in the Services (+9.00%) and Utilities (+11.59%) sectors, both of which outperformed the overall market. The Fund also benefited from bond selection in Consumer-related sectors. The largest single factor related to the Fund's underperformance relative to the benchmark was a high-single-digit cash balance. As of December 29, 2017, the yield-to-worst of the Fund was 4.83% and the average rating within the Fund was Ba3.

For 2018, the Fund will continue to emphasize BB-rated and B-rated corporate bonds. Given unattractive high yield bond valuations, we believe conservative positioning is prudent. We highlight that, as of December 29, 2017, the average spread-over-Treasuries in the high yield bond market is just modestly above the current cycle's lowest level, which likely leaves little room for further spread tightening. Thus, we anticipate the high yield market's total return to be relatively flat in 2018 with the positive return generated by the bond's coupons offset by the potential decline in the market prices of the underlying bonds.

Average Annual Total Return (%) through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series High Income, Class I	6.32	5.16	4.53	6.43	—
Ultra Series High Income, Class II	6.06	4.90	4.27	—	7.53
ICE Bank of America Merrill Lynch US High Yield Constrained Index	7.48	6.40	5.81	7.96	10.99

See accompanying Notes to Management's Discussion of Fund Performance.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
 AS OF 12/31/17

Consumer Discretionary	22.6%
Consumer Staples	7.8%
Energy	7.6%
Financials	10.6%
Health Care	7.9%
Industrials	15.7%
Information Technology	4.3%
Materials	4.7%
Money Market Funds	7.8%
Real Estate	1.5%
Telecommunication Services	3.2%
Utilities	5.1%
Net Other Assets and Liabilities	1.2%

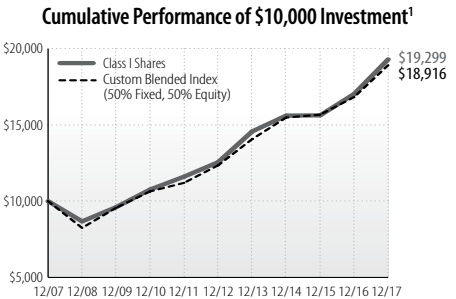
DIVERSIFIED INCOME FUND

INVESTMENT STRATEGY HIGHLIGHTS

The Ultra Series Diversified Income Fund seeks income by investing in a broadly diversified array of securities including bonds, common stocks, real estate securities, foreign market bonds and stocks and money market instruments. Bonds, stock and cash components will vary, reflecting the portfolio managers' judgments of the relative availability of attractively yielding and priced stocks and bonds; however, under normal market conditions, the Fund's portfolio managers generally attempt to target a 40% bond and 60% stock investment allocation. Nevertheless, bonds (including investment grade, high yield and mortgage- or asset-backed) may constitute up to 80% of the Fund's assets, stocks (including common stocks, preferred stocks and convertible bonds) may constitute up to 70% of the Fund's assets, real estate securities may constitute up to 25% of the Fund's assets, foreign (including American Depositary Receipts ("ADRs") and emerging market) stocks and bonds may constitute up to 25% of the Fund's assets, and money market instruments may constitute up to 25% of the Fund's assets. Although the Fund is permitted to invest up to 80% of its assets in lower credit quality bonds, under normal circumstances, the Fund intends to limit the investment in lower credit quality bonds to less than 50% of the Fund's assets. The balance between the two strategies of the Fund (fixed income and equity investing) is determined after reviewing the risks associated with each type of investment,

with the goal of meaningful risk reduction as market conditions demand.

PERFORMANCE



For the twelve month period, the Ultra Series Diversified Income Fund (Class I) returned 13.31% compared to its Custom Blended Index (50% S&P 500® Index and 50% ICE Bank of America Merrill Lynch U.S. Corporate Government and Mortgage Index) return of 12.42%. The Fund's Morningstar peer group, the Moderate Allocation Category, returned 14.76% over the same period.

Equity returns in the Fund compared favorably to the S&P 500® for the year. Sector allocation was negative versus the Index while stock selection was positive. For sector allocation, an overweight position in Energy along with an underweight position in Technology negatively impacted results. In terms of stock selection, there were favorable results in Industrials, Consumer Discretionary, Utilities, Consumer Staples and Materials, partially offset by weakness in Financials, Technology, and Health Care.

The fixed income portion of the Fund modestly outperformed its benchmark for the year before fees and expenses. In the final quarter of 2017, the Fund benefited from an overall move higher in interest rates but lost performance due to the flattening yield curve as the Fund is underweight 20- and 30-year bonds. The Fund's mortgage positions outperformed the Index as did corporate and municipal bond positions. The Fund's corporate bond performance was driven by an overweight in triple-B rated corporate bonds and an allocation to high yield while the mortgage positions benefited from owning less 30-year mortgages than the Index.

We continue to favor stocks of lower-risk, higher-quality companies, along with shorter-duration, higher-quality bonds in the Fund given the environment of rising interest rates, rising volatility and stretched equity valuations that we see ahead.

Average Annual Total Return (%) through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Diversified Income, Class I	13.31	7.33	8.98	6.80	—
Ultra Series Diversified Income, Class II	13.03	7.06	8.71	—	9.82
Custom Blended Index (50% Fixed, 50% Equity)	12.42	6.91	8.90	6.58	10.11
ICE BofAML US Corp, Govt & Mortgage Index	3.63	2.27	2.13	4.06	3.95
S&P 500® Index	21.83	11.41	15.79	8.50	16.15

See accompanying Notes to Management’s Discussion of Fund Performance.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

Asset Backed Securities	0.3%
Collateralized Mortgage Obligations	1.2%
Commercial Mortgage-Backed Securities	0.6%
Common Stocks	62.4%
Corporate Notes and Bonds	13.1%
Long Term Municipal Bonds	2.5%
Mortgage Backed Securities	9.1%
U.S. Government and Agency Obligations	8.9%
Money Market Funds	1.6%
Net Other Assets and Liabilities	0.3%

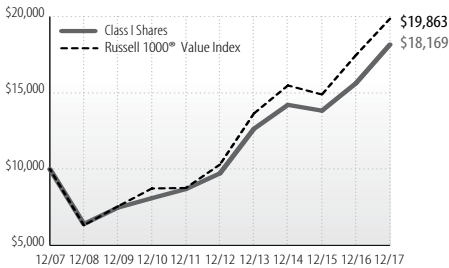
LARGE CAP VALUE FUND

INVESTMENT STRATEGY HIGHLIGHTS

The Ultra Series Large Cap Value Fund will, under normal market conditions, maintain at least 80% of its net assets in large cap stocks. The Fund follows a “value” approach, meaning the portfolio managers seek to invest in stocks at prices below their perceived intrinsic value as estimated based on fundamental analysis of the issuing company and its prospects. By investing in value stocks, the Fund attempts to limit the downside risk over time but may also produce smaller gains than other stock funds if their intrinsic values are not realized by the market or if growth-oriented investments are favored by investors. The Fund will diversify its holdings among various industries and among companies within those industries.

PERFORMANCE

Cumulative Performance of \$10,000 Investment¹



For the full year, the Ultra Series Large Cap Value Fund (Class I) returned 16.23%, outperforming the Russell 1000® Value Index return of 13.66%. The Fund also outperformed its Morningstar peer group, the Morningstar Large Value Category, which returned 15.51% for the period.

Sector allocation detracted from performance, but stock selection was strong. In terms of sector allocation, underweight positions in Health Care and Technology, along with an overweight position in Industrials negatively impacted results. For stock selection, there were positive contributions from Utilities, Industrials, Health Care, Real Estate, and Technology, while there were negative results in Financials, Consumer Discretionary, and Materials. In Utilities, NRG Energy (NRG) was the best performing stock in the portfolio, while FedEx Corp. (FDX) was significantly additive to results within Industrials. In Health Care, medical device manufacturer Baxter (BAX) contributed nicely to performance as it had solid sales and earnings growth due to new product launches. Within Real Estate, data center real estate investment trust (REIT) Digital Realty (DLR) was a top performer as there was strong demand for its data center solutions. The Fund sold the stock as it reached what we believe was a full valuation. Another notable outperforming stock was mobile phone operator T-Mobile (TMUS) within Telecom. It continues to take subscriber market share with its innovative pricing plans and improved cellular network. On the negative side, within Financials, insurance conglomerate American International Group (AIG) hurt results as it reported weak underwriting profits on business it wrote as recently as 2016, which we believe impaired the thesis and the stock was sold. Within Consumer Discretionary, home furnishing retailer Lowe’s Companies (LOW) negatively impacted the portfolio. It had

a disappointing earnings report with weaker than expected same-store sales and the stock was sold we believe its thesis was impaired. In Materials, Nucor (NUE) was detractive to results and was sold. In Energy, exploration and production company Apache (APA) was the worst performing stock in the portfolio as it was hurt by low oil and natural gas prices. APA was sold to move the proceeds into other stocks where we have higher conviction levels. The Fund continues to hold all stocks mentioned above except for APA, AIG, DLR, LOW and NUE.

Average Annual Total Return (%) through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Large Cap Value, Class I	16.23	8.53	13.32	6.15	—
Ultra Series Large Cap Value, Class II	15.94	8.26	13.04	—	13.53
Russell 1000® Value Index	13.66	8.65	14.04	7.10	15.15

See accompanying Notes to Management's Discussion of Fund Performance.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

Consumer Discretionary	3.3%
Consumer Staples	2.2%
Energy	15.4%
Financialst	27.6%
Health Care	6.7%
Industrials	12.1%
Information Technology	6.9%
Materials	12.4%
Money Market Funds	1.1%
Real Estate	4.1%
Telecommunication Services	4.1%
Utilities	3.9%
Net Other Assets and Liabilities	0.2%

†Financials includes securities in the following industries: Capital Markets; Commercial Banks; Diversified Financial Services; and Insurance.

LARGE CAP GROWTH FUND

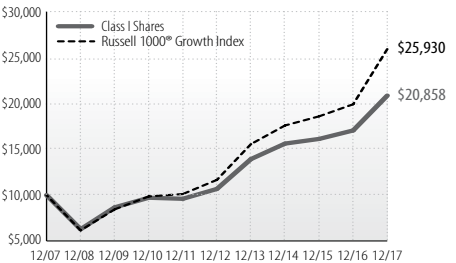
INVESTMENT STRATEGY HIGHLIGHTS

The Ultra Series Large Cap Growth Fund invests primarily in common stocks of larger companies and will, under normal market conditions, maintain at least 80% of its net assets in large cap stocks. Stocks selected for the Fund will represent primarily well-established companies that have a demonstrated pattern of consistent growth. To a lesser extent, the Fund may invest in less established companies

that may offer more rapid growth potential. The Fund has an active trading strategy which will lead to more portfolio turnover than a more passively-managed Fund.

PERFORMANCE

Cumulative Performance of \$10,000 Investment¹



The Ultra Series Large Cap Growth Fund (Class I) returned 22.28% for the period, underperforming its benchmark, the Russell 1000® Growth Index, which returned 30.21%. The Fund underperformed its peer group, the Morningstar Large Growth category, which averaged a return of 30.01% over the same period.

The stock market, as measured by the Russell 1000 Growth® Index (RLG), produced a very strong year in 2017. During the year, market leadership was somewhat narrow as the Information Technology sector was dominant and accounted for nearly half of the total return of the RLG for the period. The next best sector, Consumer Discretionary (which includes Amazon), accounted for just 17% of the RLG's return. The top ten individual company contributors to the RLG accounted for over 40% of the total return during the year. Our underweighting to these top ten performers resulted in approximately a 1.7% drag (before fees) on relative performance.

This current environment has favored high growth companies regardless of their valuation levels, which has created a near-term headwind for portfolio managers such as us that follow a discipline where valuation metrics are an integral part of their process (sometimes called GARP or Growth At a Reasonable Price). To demonstrate this challenge, just compare the 2017 return of 30.2% for the RLG versus a total return of just 13.6% for the Russell 1000® Value Index (RLV). Fortunately, this trend was showing signs of reversing itself late in the year.

During the year, our sector allocation decisions were slightly negative. For example, our under-weighting in Technology companies hampered our relative returns. In addition, although we held less than 3% cash on average during the year, it was still a slight drag on relative results given the strong market. We did benefit from a less than market weighting in Materials, Telecom and Utilities.

Our stock selection in the Technology, Health Care and Consumer Discretionary sectors negatively impacted our relative performance. While we did benefit from our significant Technology holdings, our underweighting of the select few high growth, mega-cap companies that led the market higher hindered results. In addition, our exposure to certain biotechnology companies in the Health Care sector and to media companies in the Consumer Discretionary sector also held back our relative performance. We did selectively cut back on our holdings in these areas, but many of these companies appear to be very inexpensive such that we have maintained ample exposure.

The basic backdrop for the stock market remains favorable. Interest rates and inflation remain low, the global economy is growing at a very solid pace and consumer confidence is very high. The passage of the business friendly income tax bill also added to this favorable setting. However, we do anticipate a more subdued market in 2018, given relatively high stock valuations and the likelihood of the Federal Reserve continuing to raise interest rates. As such, we remain optimistic but are cognizant of rising market risks and continued investor complacency. We believe investors will be well served by focusing on lower-risk, higher-quality companies for the foreseeable future. We remain diligent and committed to investing in high quality growth companies that can deliver consistent results in a variety of economic environments and also offer a margin of safety from a valuation perspective.

Average Annual Total Return (%) through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Large Cap Growth, Class I	22.28	10.11	14.33	7.63	—
Ultra Series Large Cap Growth, Class II	21.98	9.84	14.05	—	13.42
Russell 1000® Growth Index	30.21	13.79	17.33	10.00	17.30

See accompanying Notes to Management’s Discussion of Fund Performance.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

Consumer Discretionary	18.8%
Consumer Staples	9.9%
Energy	3.8%
Financials	8.2%
Health Care	20.1%
Industrials	4.5%
Information Technology†	28.6%
Materials	1.7%
Money Market Funds	2.6%
Real Estate	1.8%
Net Other Assets and Liabilities	0.0%

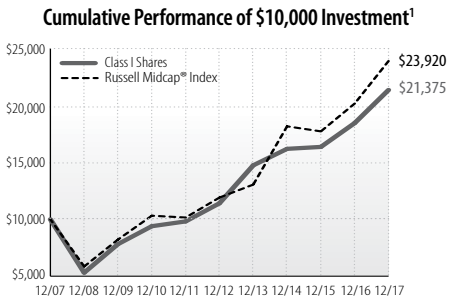
¹Information Technology includes securities in the following industries: Computers and Peripherals; Electronic Equipment, Instruments & Components; Internet Software & Services; IT Services and Software.

MID CAP FUND

INVESTMENT STRATEGY HIGHLIGHTS

The Ultra Series Mid Cap Fund generally invests in common stocks of midsize companies and will, under normal market conditions, maintain at least 80% of its net assets in mid cap securities. The Fund seeks attractive long-term returns through bottom-up security selection based on fundamental analysis in a diversified portfolio of high-quality growth companies with attractive valuations. These will typically be industry leading companies in niches with strong growth prospects. The Fund’s portfolio managers believe in selecting stocks for the Fund that show steady, sustainable growth and reasonable valuations. As a result, stocks of issuers that are believed to have a blend of both value and growth potential will be selected for investment.

PERFORMANCE



The Ultra Series Mid Cap Fund (Class I) returned 15.74% for the annual period, trailing its benchmark Russell Midcap® Index’s 18.52% return. The Fund lagged its peer group, the Morningstar Mid-Cap Growth category, which returned 25.81%.

Both sector allocation and stock selection were unfavorable over the past 12 months. We were underweight the three weakest sectors of the Index – Telecommunications Services, Energy, and Real Estate – but we were also heavily underweight Information Technology, the best performing sector. The Fund was materially overweight Consumer Discretionary, which lagged the broader market. Our top three individual contributors were Copart, CDW, and Brookfield Asset Management. Our bottom three contributors were Sally Beauty, World Fuel, and Omnicom.

Copart is an auctioneer of salvaged cars. The more expensive components used in cars today and the skyrocketing usage of mobile phones while driving have increased the supply of totaled cars that flow through Copart’s lots. CDW is a value-added distributor selling hardware, software and services from thousands of vendors. The company is benefitting from growth in overall Information Technology spending. Brookfield Asset Management is an alternative asset manager that possesses the global scope, financial wherewithal, and operating acumen needed to invest in hard assets like real estate and infrastructure. Brookfield is currently in a high-growth phase that is benefitting from investors increasing allocations to hard assets.

Sally Beauty and World Fuel Services reported disappointing results for an extended period of time, and both stocks are no longer held in the Fund. Omnicom is an advertising

agency that is experiencing a slowdown in ad spending from global consumer firms that have historically been bedrocks of agency business. The valuation of the stock more than reflects the slowdown.

Average Annual Total Return (%) through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series Mid Cap, Class I	15.74	9.68	13.38	7.89	—
Ultra Series Mid Cap, Class II	15.45	9.41	13.09	—	15.08
Russell Midcap® Index	18.52	9.58	14.96	9.11	16.95

See accompanying Notes to Management’s Discussion of Fund Performance.

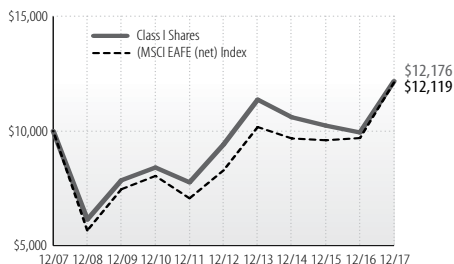
SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

Consumer Discretionary	23.4%
Consumer Staples	1.6%
Energy	0.9%
Financials	21.7%
Health Care	13.5%
Industrials	16.1%
Information Technology	6.4%
Materials	6.6%
Money Market Funds	5.1%
Real Estate	4.7%
Net Other Assets and Liabilities	0.0%

INTERNATIONAL STOCK FUND

INVESTMENT STRATEGY HIGHLIGHTS

The Ultra Series International Stock Fund will invest, under normal market conditions, at least 80% of its net assets in the stock of foreign companies. Typically, a majority of the Fund’s assets are invested in relatively large cap stocks of companies located or operating in developed countries. The Fund may also invest up to 30% of its assets in securities of companies whose principal business activities are located in emerging market countries. The portfolio managers typically maintain this segment of the Fund’s portfolio in such stocks which it believes have a low market price relative to their perceived value based on fundamental analysis of the issuing company and its prospects. The Fund may also invest in foreign debt and other income bearing securities at times when it believes that income bearing securities have greater capital appreciation potential than equity securities.

PERFORMANCE**Cumulative Performance of \$10,000 Investment¹**

The Ultra Series International Stock Fund (Class I) returned 22.54% for the year, trailing the MSCI EAFE (net) Index's 25.03% return. The Fund lagged its peer group, the Morningstar Foreign Large Blend Category, which returned 25.53%.

The strength of the global economy over the past year exceeded expectations, with positive growth occurring in all major regions, albeit off low levels. Outside the United States, earnings growth of over 20% drove stock returns higher in 2017. Sector leadership was dominated by cyclical, and more specifically by Information Technology (+39% during 2017). More defensive, and some higher quality sectors such as Consumer Staples, Healthcare and Telecommunications, lagged in this market. As with sectors, regions with higher exposure to the global economy outperformed, driven by rising global growth prospects, a weaker U.S. dollar, and the improvement of industrial commodities prices. These factors especially benefited emerging markets, which generated extraordinary returns of 37.3% in 2017. Emerging markets Technology companies were especially favored by investors seeking companies with higher revenue and earnings growth — as well as higher valuations. Among developed markets, Japan generated significant returns in the fourth quarter, nearly matching the EAFE benchmark for the year after lagging in the first three quarters. Continental European equities outperformed the MSCI EAFE Index in U.S. dollar terms in 2017, boosted by stronger currencies. UK equities generated solid absolute returns of 22% in the year but modestly lagged the broader EAFE market amidst a challenging political backdrop and Brexit negotiations, which pushed valuation multiples lower.

Portfolio Review

Stock selection in the Healthcare sector detracted from performance in both the quarter and the year, as our holding in Shire underperformed. While having fallen nearly 10% in 2017 and being one of the largest relative detractors, Shire's stock appears to be improving, rising in line with the benchmark during the fourth quarter. At 9.5x earnings with a 14% ROE, we expect the fundamentals of this company will drive earnings and cash flows in 2018, which we believe should ultimately rerate its valuation higher.

Our holding in Assa Abloy underperformed. This global leader in locks produces high, stable financial productivity in an industry with high barriers to entry (such as building codes and regulations that differ globally). Despite rising 13% during the year, the stock underperformed during the fourth quarter, falling nearly 9%, the result of a company specific, transitory issues in China, rising materials costs, and the CEO's retirement announcement. However, we believe the stock will resume strong performance in 2018 due to a bottoming in their China operations coupled with strength in EMEA and North America.

Cash also continued to be a significant drag on relative performance in the quarter and the year. As equity markets continued to rise during the quarter and valuations remain elevated in historical terms, we have trimmed or sold some investments that have reached our target valuations faster than we have been able to replace them. Our cash exposure — which historically averages less than 5% of assets — is a byproduct of our process and is not a managed allocation. Our intention, as always, is to remain fully invested.

In contrast, stock selection in the consumer discretionary sector was additive to relative returns. Shares of Japanese retailer Don Quijote rose after reporting strong results driven by better sales and cost control, leading to operating profit margin expansion, while also increasing guidance. In the Industrials sector, Dutch software company Wolters Kluwer was a strong performer, both during the quarter and throughout the year, rising 13% and 47% respectively. Stock selection in the Real Estate sector was also beneficial to relative returns. Daiwa House was a

strong performer as it rose 11% during the quarter and 44% for the year. The Japanese diversified real estate company operates in the construction of residential housing (both single family and rental condominiums) as well as commercial facilities, including logistics and medical facilities as well as convenience stores. Positive stock selection in the Telecommunications sector was driven by Nordic telecommunications provider Telenor, which owns additional assets in emerging markets Malaysia and Thailand. Telenor stock rallied nearly 28% in the quarter, mostly because management reported earnings in July that beat expectations.

Average Annual Total Return through December 31, 2017¹

	1 Year	3 Years	5 Years	10 Years	Since 5/1/09 Inception
Ultra Series International Stock, Class I	22.54	4.73	5.28	1.99	—
Ultra Series International Stock, Class II	22.24	4.47	5.02	—	8.40
MSCI EAFE Index (net)	25.03	7.80	7.90	1.94	9.54

See accompanying Notes to Management's Discussion of Fund Performance.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

Consumer Discretionary	16.6%
Consumer Staples	10.5%
Energy	7.6%
Financials	17.4%
Health Care	7.3%
Industrials	15.9%
Information Technology	7.2%
Materials	5.5%
Money Market Funds	1.6%
Real Estate	2.6%
Telecommunication Services	6.1%
Utilities	1.5%
Net Other Assets and Liabilities	0.2%

GEOGRAPHICAL ALLOCATION AS A PERCENTAGE OF NET ASSETS
AS OF 12/31/17

Japan	18.5%
United Kingdom	16.6%
France	10.6%
Netherlands	6.8%
Switzerland	6.5%
Canada	4.4%
Germany	4.2%
Sweden	3.4%
Ireland	3.3%
Australia	3.2%
Norway	2.9%
Belgium	2.5%
Denmark	2.5%
Singapore	2.5%
United States	2.3%
Spain	1.7%
Finland	1.5%
Taiwan	1.5%
Turkey	1.1%
Brazil	0.9%
Italy	0.7%
Luxembourg	0.6%
Net Other Assets and Liabilities	0.2%

Notes to Management's Discussion of Fund Performance (unaudited)

¹ Fund returns are calculated after fund level expenses have been subtracted, but do not include any separate account fees, charges or expenses imposed by the variable annuity and variable life insurance contracts that invest in the Fund, as described in the Prospectus. If these fees, charges, or expenses were included, fund returns would have been lower. Fund returns also assume that dividends and capital gains are reinvested in additional shares of the Fund. Investment return and principal value will fluctuate, so an investor's shares, when redeemed, may be worth more or less than when purchased. Further information relating to the Fund's performance is contained in the Prospectus and elsewhere in this report. The Fund's past performance is not indicative of future performance. Current performance may be lower or higher than the performance data cited. For Ultra Series Fund performance data current to the most recent month-end, please call 1-800-670-3600 or visit www.ultraseriesfund.com. Indices are unmanaged and investors cannot invest in them directly. Index returns do not reflect fees or expenses.

² Effective July 1, 2014 the Investment Adviser contractually agreed to waive a portion of the management fee for the Conservative, Moderate and Aggressive Allocation Funds until at least June 30, 2015. This waiver was renewed through April 30, 2018. If these waivers were not in place, returns would have been lower.

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Morningstar Percentile rankings note: 1st percentile is top, 99th percentile is bottom.

BENCHMARK DESCRIPTIONS

Allocation Fund Indexes*

The Conservative Allocation Fund Custom Index consists of 65% Bloomberg Barclays US Aggregate Bond Index, 24.5% Russell 3000® Index and 10.5% MSCI ACWI ex-USA Index (net). See market index descriptions below.

The Moderate Allocation Fund Custom Index consists of 40% Bloomberg Barclays US Aggregate Bond Index, 42% Russell 3000® Index and 18% MSCI ACWI ex-USA Index (net). See market index descriptions below.

The Aggressive Allocation Fund Custom Index consists of 20% Bloomberg Barclays US Aggregate Bond Index, 56% Russell 3000® Index and 24% MSCI ACWI ex-USA Index (net). See market index descriptions below.

Hybrid Fund Custom Indexes*

The Custom Blended Index consists of 50% S&P 500 Index and 50% Bank of America Merrill Lynch U.S. Corporate, Government & Mortgage Index. See market indexes descriptions below.

*The Custom Indexes are calculated using a monthly re-balancing frequency (i.e., rebalanced back to original constituent weight every calendar month-end).

Market Indexes

The ICE Bank of America Merrill Lynch U.S. Corporate, Government & Mortgage Index is a broad-based measure of the total rate of return performance of the U.S. investment-grade bond markets. The index is a capitalization-weighted aggregation of outstanding U.S. treasury, agency and supranational mortgage pass-through, and investment-grade corporate bonds meeting specified selection criteria.

The ICE Bank of America Merrill Lynch U.S. High Yield Constrained Index tracks the performance of below investment grade U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market, but limits any individual issuer to a maximum weighting of 2%.

The Bloomberg Barclays Intermediate Government Credit Index measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the U.S. corporate index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage backed securities, asset backed securities and commercial mortgage-backed securities.

The MSCI EAFE (Europe, Australasia & Far East) Index (net) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI EAFE Index (net) is calculated on a total return basis with dividends reinvested after the deduction of withholding taxes.

The MSCI ACWI ex USA Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI ex USA (net) is calculated on a total

return basis with dividends reinvested after the deduction of withholding taxes.

The Russell 1000® Growth Index is a large-cap market index which measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000® Value Index is a large-cap market index which measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents 98% of the investable U.S. equity market.

The Russell Midcap® Index is a mid-cap market index which measures the performance of the mid-cap segment of the U.S. equity universe.

The S&P 500® Index is a large-cap market index which measures the performance of a representative sample of 500 leading companies in leading industries in the U.S.

Past performance is no guarantee of future results.

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Conservative Allocation Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
INVESTMENT COMPANIES - 99.8%			Stock Funds - 24.1%		
Alternative Funds - 2.0%			Energy Select Sector SPDR Fund	17,443	\$ 1,260,431
SPDR Gold Shares*	24,457	\$ 3,024,108	iShares Core S&P Mid-Cap ETF	16,403	3,112,961
Bond Funds - 57.9%			Madison Dividend Income Fund Class Y (A)	400,874	10,703,348
Baird Aggregate Bond Fund Institutional Shares	825,819	8,976,647	Madison Investors Fund Class Y (A)	466,612	10,662,079
iShares 20+ Year Treasury Bond ETF	36,340	4,610,092	Madison Mid Cap Fund Class Y (A)	239,672	2,365,565
iShares 7-10 Year Treasury Bond ETF	39,456	4,165,370	PowerShares Optimum Yield Diversified		
iShares TIPS Bond Fund ETF	98,952	11,288,444	Commodity Strategy No. K-1 Portfolio	209,196	3,650,470
Madison Core Bond Fund Class Y (A)	3,370,781	33,640,397	Vanguard Financials ETF	10,612	743,265
Madison Corporate Bond Fund Class Y (A)	886,851	10,260,871	Vanguard Growth ETF	23,860	3,355,909
Vanguard Short-Term Corporate Bond ETF	84,465	6,698,075	Vanguard Information Technology ETF	2,980	490,895
Virtus Seix Floating Rate High Income Fund, Class R6	862,511	7,512,473			<u>36,344,923</u>
		<u>87,152,369</u>	TOTAL INVESTMENTS - 99.8%		
			(Cost \$139,532,351**)		150,243,417
Foreign Stock Funds - 13.5%			NET OTHER ASSETS AND LIABILITIES - 0.2%		
iShares MSCI Eurozone ETF	62,615	2,716,239			<u>231,204</u>
iShares MSCI Japan ETF	18,859	1,130,220	TOTAL NET ASSETS - 100.0%		
Vanguard FTSE All-World ex-U.S. ETF	202,475	11,079,432			<u>\$150,474,621</u>
Vanguard FTSE Emerging Markets ETF	41,201	1,891,538			
Vanguard FTSE Europe ETF	46,631	2,758,223			
WisdomTree Japan Hedged Equity Fund	12,782	758,356			
		<u>20,334,008</u>			
Money Market Funds - 2.3%					
State Street Institutional U.S. Government					
Money Market Fund, 1.21%, Premier Class	3,388,009	3,388,009			

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$139,788,001.

(A) Affiliated Company (see Note 11).

ETF Exchange Traded Fund.

Moderate Allocation Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
INVESTMENT COMPANIES - 99.9%			Stock Funds - 39.7%		
Alternative Funds - 2.0%			Energy Select Sector SPDR Fund	40,991	\$ 2,962,010
SPDR Gold Shares*	39,873	<u>\$ 4,930,296</u>	iShares Core S&P Mid-Cap ETF	42,379	8,042,687
Bond Funds - 33.7%			Madison Dividend Income Fund Class Y (A)	1,081,152	28,866,751
Baird Aggregate Bond Fund Institutional Shares	252,273	2,742,207	Madison Investors Fund Class Y (A)	1,258,199	28,749,850
iShares 20+ Year Treasury Bond ETF	59,179	7,507,448	Madison Large Cap Value Fund Class Y (A)	530,228	7,757,239
iShares 7-10 Year Treasury Bond ETF	45,880	4,843,551	Madison Mid Cap Fund Class Y (A)	491,383	4,849,948
iShares TIPS Bond Fund ETF	107,434	12,256,071	PowerShares Optimum Yield Diversified		
Madison Core Bond Fund Class Y (A)	4,268,407	42,598,706	Commodity Strategy No. K-1 Portfolio	341,225	5,954,376
Madison Corporate Bond Fund Class Y (A)	437,539	5,062,324	Vanguard Financials ETF	17,280	1,210,291
Virtus Seix Floating Rate High Income Fund, Class R6	835,576	<u>7,277,868</u>	Vanguard Growth ETF	51,671	7,267,526
		82,288,175	Vanguard Information Technology ETF	7,352	<u>1,211,095</u>
					<u>96,871,773</u>
Foreign Stock Funds - 23.3%			TOTAL INVESTMENTS - 99.9%		
iShares MSCI Eurozone ETF	178,102	7,726,065	(Cost \$211,969,758**)		243,749,904
iShares MSCI Japan ETF	61,118	3,662,801	NET OTHER ASSETS AND LIABILITIES - 0.1%		
Vanguard FTSE All-World ex-U.S. ETF	530,814	29,046,142			<u>315,029</u>
Vanguard FTSE Emerging Markets ETF	134,180	6,160,204	TOTAL NET ASSETS - 100.0%		
Vanguard FTSE Europe ETF	133,472	7,894,869			<u>\$244,064,933</u>
WisdomTree Japan Hedged Equity Fund	37,064	<u>2,199,007</u>			
		56,689,088			
Money Market Funds - 1.2%					
State Street Institutional U.S. Government					
Money Market Fund, 1.21%, Premier Class	2,970,572	<u>2,970,572</u>			

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$212,727,572.

(A) Affiliated Company (see Note 11).

ETF Exchange Traded Fund.

Aggressive Allocation Fund Portfolio of Investments

	<u>Shares</u>	<u>Value (Note 2)</u>		<u>Shares</u>	<u>Value (Note 2)</u>
INVESTMENT COMPANIES - 99.8%			Stock Funds - 51.5%		
Alternative Funds - 2.0%			Energy Select Sector SPDR Fund	20,074	\$ 1,450,547
SPDR Gold Shares*	13,920	\$ 1,721,208	iShares Core S&P Mid-Cap ETF	23,100	4,383,918
Bond Funds - 13.7%			Madison Dividend Income Fund Class Y (A)	432,730	11,553,878
iShares 20+ Year Treasury Bond ETF	12,077	1,532,088	Madison Investors Fund Class Y (A)	502,853	11,490,182
iShares 7-10 Year Treasury Bond ETF	18,205	1,921,902	Madison Large Cap Value Fund Class Y (A)	291,130	4,259,230
Madison Core Bond Fund Class Y (A)	841,003	8,393,210	Madison Mid Cap Fund Class Y (A)	428,588	4,230,159
		11,847,200	PowerShares Optimum Yield Diversified		
Foreign Stock Funds - 31.2%			Commodity Strategy No. K-1 Portfolio	101,742	1,775,398
iShares MSCI Eurozone ETF	90,342	3,919,036	Vanguard Financials ETF	9,218	645,629
iShares MSCI Japan ETF	28,738	1,722,268	Vanguard Growth ETF	27,562	3,876,596
Vanguard FTSE All-World ex-U.S. ETF	235,650	12,894,768	Vanguard Information Technology ETF	5,203	857,090
Vanguard FTSE Emerging Markets ETF	71,574	3,285,962			44,522,627
Vanguard FTSE Europe ETF	67,703	4,004,633	TOTAL INVESTMENTS - 99.8%		
WisdomTree Japan Hedged Equity Fund	20,332	1,206,298	(Cost \$71,603,748**)		86,339,283
		27,032,965	NET OTHER ASSETS AND LIABILITIES - 0.2%		
Money Market Funds - 1.4%					145,177
State Street Institutional U.S. Government			TOTAL NET ASSETS - 100.0%		
Money Market Fund, 1.21%, Premier Class	1,215,283	1,215,283			\$ 86,484,460

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$71,793,660.

(A) Affiliated Company (see Note 11).

ETF Exchange Traded Fund.

Core Bond Fund Portfolio of Investments

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
ASSET BACKED SECURITIES - 2.2%					
CarMax Auto Owner Trust, Series 2014-1, Class B, 1.69%, 8/15/19	\$ 510,000	\$ 509,788	FREMF Mortgage Trust, Series 2011-K702, Class B (A) (B) (C), 4.793%, 4/25/44	\$ 750,000	\$ 750,190
CarMax Auto Owner Trust, Series 2017-1, Class A2, 1.54%, 2/18/20	673,133	672,244	FREMF Mortgage Trust, Series 2012-K708, Class B (A) (B) (C), 3.75%, 2/25/45	1,000,000	1,011,211
Chase Issuance Trust, Series 2017-A1, Class A, (1M LIBOR + 0.300%) (A), 1.777%, 1/18/22	500,000	501,780	Total Commercial Mortgage-Backed Securities (Cost \$3,354,854)		3,254,829
Chesapeake Funding II LLC, Series 2017 4A, Class A1 (B), 2.12%, 11/15/29	400,000	398,325	CORPORATE NOTES AND BONDS - 34.0%		
Enterprise Fleet Financing LLC, Series 2015-2, Class A3 (B), 2.09%, 2/22/21	200,000	199,929	Consumer Discretionary - 7.2%		
Enterprise Fleet Financing LLC, Series 2017-3, Class A2 (B), 2.13%, 5/22/23	500,000	499,113	Advance Auto Parts Inc., 4.5%, 12/1/23	1,000,000	1,051,371
Santander Drive Auto Receivables Trust, Series 2013-5, Class D, 2.73%, 10/15/19	523,438	524,867	Amazon.com Inc. (B), 2.8%, 8/22/24	125,000	124,620
Santander Drive Auto Receivables Trust, Series 2014-5, Class C, 2.46%, 6/15/20	231,799	232,192	Charter Communications Operating LLC / Charter Communications Operating Capital Corp., 4.464%, 7/23/22	800,000	834,679
Total Asset Backed Securities (Cost \$3,544,159)		3,538,238	D.R. Horton Inc., 2.55%, 12/1/20	400,000	399,402
COLLATERALIZED MORTGAGE OBLIGATIONS - 2.1%					
Fannie Mae REMICS, Series 2015-12, Class NI, IO, 3.5%, 3/25/30	2,375,558	270,566	Discovery Communications LLC, 5%, 9/20/37	500,000	518,047
Fannie Mae REMICS, Series 2011-31, Class DB, 3.5%, 4/25/31	375,000	387,462	ERAC USA Finance LLC (B), 6.7%, 6/1/34	500,000	631,105
Fannie Mae REMICS, Series 2011-36, Class QB, 4%, 5/25/31	500,000	529,321	Ford Motor Credit Co. LLC, MTN, 2.943%, 1/8/19	1,000,000	1,006,244
Fannie Mae REMICS, Series 2005-79, Class LI, 5.5%, 9/25/35	526,920	581,665	GameStop Corp. (B), 6.75%, 3/15/21	200,000	209,000
Fannie Mae REMICS, Series 2011-101, Class NC, 2.5%, 4/25/40	355,597	355,646	General Motors Financial Co. Inc., 3.2%, 7/6/21	750,000	757,321
Fannie Mae REMICS, Series 2016-21, Class BA, 3%, 3/25/42	745,484	750,699	GLP Capital L.P. / GLP Financing II Inc., 4.875%, 11/1/20	253,000	262,488
Freddie Mac REMICS, Series 4066, Class DI, IO, 3%, 6/15/27	3,016,133	258,509	Harman International Industries Inc., 4.15%, 5/15/25	400,000	413,578
Government National Mortgage Association, Series 2015-53, Class IL, IO, 3%, 9/20/44	2,200,442	387,195	Lennar Corp., 4.75%, 4/1/21	500,000	520,000
Total Collateralized Mortgage Obligations (Cost \$3,560,417)		3,521,063	Lowe's Cos. Inc., 2.5%, 4/15/26	500,000	480,658
COMMERCIAL MORTGAGE-BACKED SECURITIES - 2.0%					
Fannie Mae-Aces, Series 2016-M2, Class X2, IO (A) (C), 1.094%, 1/25/23	10,502,835	450,475	Marriott International Inc., 3.125%, 6/15/26	400,000	393,460
FHLMC Multifamily Structured Pass Through Certificates, Series K718, Class X1, IO (A) (C), 0.642%, 1/25/22	23,965,040	532,741	McDonald's Corp., MTN, 4.875%, 12/9/45	400,000	463,379
FHLMC Multifamily Structured Pass Through Certificates, Series K066, Class A2, 3.117%, 6/25/27	500,000	510,212	Newell Brands Inc., 4.2%, 4/1/26	800,000	835,527
			Omnicom Group Inc., 3.6%, 4/15/26	750,000	758,759
			Priceline Group Inc./The, 3.6%, 6/1/26	500,000	502,141
			Sirius XM Radio Inc. (B), 6%, 7/15/24	350,000	370,125
			Toll Brothers Finance Corp., 4%, 12/31/18	500,000	508,125
			Walgreens Boots Alliance Inc., 3.45%, 6/1/26	850,000	840,527
			Consumer Staples - 3.0%		11,880,556
			Anheuser-Busch InBev Finance Inc., 4.9%, 2/1/46	1,000,000	1,158,989
			Bunge Ltd. Finance Corp., 3.25%, 8/15/26	850,000	812,319
			CVS Health Corp., 4.75%, 12/1/22	1,060,000	1,135,396
			CVS Health Corp., 5.125%, 7/20/45	1,000,000	1,146,094
			Molson Coors Brewing Co., 2.1%, 7/15/21	400,000	392,053
			Tyson Foods Inc., 3.55%, 6/2/27	300,000	307,188
					4,952,039

See accompanying Notes to Financial Statements.

Core Bond Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
CORPORATE NOTES AND BONDS - continued			Regions Financial Corp., 3.2%, 2/8/21	\$ 750,000	\$ 763,095
Energy - 2.0%			Regions Financial Corp., 2.75%, 8/14/22	400,000	398,742
Antero Resources Corp., 5.625%, 6/1/23	\$ 300,000	\$ 312,000	Synchrony Financial, 3.75%, 8/15/21	1,100,000	1,127,951
EnLink Midstream Partners LP, 5.45%, 6/1/47	550,000	581,180	Synchrony Financial, 3.7%, 8/4/26	400,000	394,368
Enterprise Products Operating LLC, 3.75%, 2/15/25	750,000	773,322	TD Ameritrade Holding Corp., 3.3%, 4/1/27	400,000	403,635
Helmerich & Payne International Drilling Co., 4.65%, 3/15/25	400,000	421,060			17,622,140
Marathon Oil Corp., 2.7%, 6/1/20	750,000	750,104	Health Care - 2.4%		
Marathon Petroleum Corp., 2.7%, 12/14/18	400,000	401,437	AbbVie Inc., 4.45%, 5/14/46	300,000	326,100
		3,239,103	Allergan Funding SCS (D), 4.55%, 3/15/35	435,000	460,302
Financials - 10.7%			Becton, Dickinson and Co., 2.894%, 6/6/22	500,000	496,872
AerCap Ireland Capital DAC / AerCap Global Aviation Trust (D), 3.75%, 5/15/19	400,000	406,331	Forest Laboratories LLC (B), 5%, 12/15/21	250,000	267,369
Affiliated Managers Group Inc., 4.25%, 2/15/24	1,000,000	1,054,395	HCA Inc., 3.75%, 3/15/19	500,000	504,375
Air Lease Corp., 3.875%, 4/1/21	500,000	517,888	Humana Inc., 2.5%, 12/15/20	400,000	399,694
Air Lease Corp., 3.75%, 2/1/22	700,000	723,261	Laboratory Corp. of America Holdings, 3.6%, 9/1/27	300,000	300,735
American Express Co., 2.5%, 8/1/22	500,000	493,965	Shire Acquisitions Investments Ireland DAC (D), 1.9%, 9/23/19	750,000	743,210
Bank of America Corp., MTN, 2.503%, 10/21/22	400,000	395,745	Zoetis Inc., 3%, 9/12/27	475,000	463,997
Bank of America Corp., MTN, (3M USD LIBOR + 0.930%) (A), 2.816%, 7/21/23	400,000	399,219			3,962,654
Bank of Montreal, MTN (D), 1.9%, 8/27/21	1,000,000	978,934	Industrials - 1.8%		
Berkshire Hathaway Inc., 3.125%, 3/15/26	250,000	252,828	Carlisle Cos. Inc., 3.5%, 12/1/24	200,000	201,580
Boston Properties L.P., 2.75%, 10/1/26	1,000,000	943,361	CRH America Inc. (B), 3.875%, 5/18/25	300,000	313,155
Brookfield Finance Inc. (D), 4.25%, 6/2/26	310,000	319,967	Masco Corp., 4.375%, 4/1/26	650,000	686,075
Capital One Financial Corp., 2.5%, 5/12/20	400,000	399,499	Norfolk Southern Corp., 5.59%, 5/17/25	1,268,000	1,454,260
Capital One Financial Corp., 3.3%, 10/30/24	400,000	397,901	United Rentals North America Inc., 4.625%, 7/15/23	350,000	361,855
Cboe Global Markets Inc., 3.65%, 1/12/27	500,000	514,987			3,016,925
Discover Bank, 3.45%, 7/27/26	400,000	394,860	Information Technology - 3.9%		
Goldman Sachs Group Inc./The(3M USD LIBOR + 1.201%) (A), 3.272%, 9/29/25	700,000	697,180	Activision Blizzard Inc., 3.4%, 6/15/27	400,000	402,814
Goldman Sachs Group Inc./The, 3.5%, 11/16/26	500,000	502,927	Analog Devices Inc., 5.3%, 12/15/45	600,000	713,101
Huntington National Bank/The, 2.4%, 4/1/20	1,000,000	998,328	Apple Inc., 2.25%, 2/23/21	500,000	499,415
Intercontinental Exchange Inc., 2.35%, 9/15/22	200,000	198,097	Autodesk Inc., 4.375%, 6/15/25	1,000,000	1,049,355
JPMorgan Chase & Co., 3.125%, 1/23/25	900,000	904,963	Broadridge Financial Solutions Inc., 3.95%, 9/1/20	1,000,000	1,036,348
Liberty Mutual Group Inc. (B), 4.25%, 6/15/23	1,000,000	1,053,732	Citrix Systems Inc., 4.5%, 12/1/27	195,000	197,905
Morgan Stanley, 4.3%, 1/27/45	1,000,000	1,078,578	Dell International LLC / EMC Corp. (B), 8.35%, 7/15/46	250,000	322,136
Nasdaq Inc., 3.85%, 6/30/26	100,000	102,680	Fidelity National Information Services Inc., 3%, 8/15/26	475,000	459,120
Old Republic International Corp., 3.875%, 8/26/26	500,000	503,315	Fiserv Inc., 2.7%, 6/1/20	300,000	301,874
Raymond James Financial Inc., 3.625%, 9/15/26	300,000	301,408	Hewlett Packard Enterprise Co., 6.35%, 10/15/45	300,000	317,599
			Oracle Corp., 4%, 7/15/46	750,000	798,008
			VMware Inc., 3.9%, 8/21/27	300,000	302,845
					6,400,520

See accompanying Notes to Financial Statements.

Core Bond Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
CORPORATE NOTES AND BONDS - continued			7%, 11/1/31 Pool # 607515	\$ 23,970	\$ 26,240
Real Estate - 1.8%			3.5%, 12/1/31 Pool # MA0919	144,235	149,990
Boston Properties L.P., 3.65%, 2/1/26	\$ 450,000	\$ 457,149	3%, 2/1/32 Pool # AL9867	542,959	553,550
Brixmor Operating Partnership L.P., 3.65%, 6/15/24	500,000	497,388	6.5%, 3/1/32 Pool # 631377	32,954	36,528
Iron Mountain Inc. (B), 4.375%, 6/1/21	350,000	355,208	7%, 5/1/32 Pool # 644591	9,618	10,382
SL Green Operating Partnership L.P., 3.25%, 10/15/22	200,000	199,234	6.5%, 6/1/32 Pool # 545691	305,447	347,096
Welltower Inc., 4.5%, 1/15/24	1,000,000	1,068,594	3.5%, 8/1/32 Pool # MA3098	238,864	247,015
WP Carey Inc., 4.25%, 10/1/26	400,000	409,706	5.5%, 11/1/33 Pool # 555880	390,996	433,566
		2,987,279	7%, 7/1/34 Pool # 792636	37,421	38,524
Telecommunication Services - 0.8%			4%, 2/1/35 Pool # MA2177	1,517,869	1,602,270
AT&T Inc., 5.15%, 2/14/50	375,000	379,674	5%, 8/1/35 Pool # 829670	438,193	475,661
Verizon Communications Inc., 5.15%, 9/15/23	600,000	667,586	5%, 9/1/35 Pool # 820347	614,615	676,409
Verizon Communications Inc., 4.4%, 11/1/34	300,000	305,712	5%, 9/1/35 Pool # 835699	493,531	542,905
		1,352,972	3.5%, 12/1/35 Pool # MA2473	1,076,930	1,120,567
Utilities - 0.4%			5%, 12/1/35 Pool # 850561	168,973	183,298
Duke Energy Corp., 3.75%, 9/1/46	650,000	642,792	5.5%, 10/1/36 Pool # 901723	499,545	552,328
Total Corporate Notes and Bonds			6.5%, 10/1/36 Pool # 894118	331,017	366,929
(Cost \$54,108,298)		56,056,980	6%, 11/1/36 Pool # 902510	388,290	435,654
LONG TERM MUNICIPAL BONDS - 4.3%			6%, 10/1/37 Pool # 947563	513,697	588,521
General - 4.3%			6.5%, 8/1/38 Pool # 987711	815,564	930,098
County of Pasco FL Water & Sewer Revenue, Series B, 6.76%, 10/1/39	1,000,000	1,083,960	4%, 1/1/41 Pool # AB2080	1,501,650	1,585,683
East Baton Rouge Sewerage Commission Revenue, Series B, 6.087%, 2/1/45	1,000,000	1,072,320	4.5%, 7/1/41 Pool # AB3274	614,704	662,048
Los Angeles Department of Water & Power Revenue, 6.166%, 7/1/40	1,000,000	1,094,290	5.5%, 7/1/41 Pool # AL6588	1,247,834	1,385,846
Metropolitan Transportation Authority Revenue, 6.548%, 11/15/31	1,000,000	1,311,330	4%, 9/1/41 Pool # AJ1406	1,075,085	1,128,839
New York City Transitional Finance Authority Future Tax Secured Revenue, 6.267%, 8/1/39	500,000	532,385	3.5%, 6/1/42 Pool # A04136	1,640,481	1,693,992
Palomar Community College District, General Obligation, 7.194%, 8/1/45	1,000,000	1,131,980	4%, 6/1/42 Pool # MA1087	410,133	430,469
Washington County School District #1 West Union, General Obligation, 4.355%, 6/30/34	800,000	866,848	3.5%, 8/1/42 Pool # AP2133	737,827	761,817
		7,093,113	3.5%, 9/1/42 Pool # AB6228	1,312,402	1,354,663
Total Long Term Municipal Bonds			4%, 10/1/42 Pool # AP7363	998,882	1,049,080
(Cost \$6,994,778)		7,093,113	3.5%, 3/1/43 Pool # AT0310	782,490	807,712
MORTGAGE BACKED SECURITIES - 26.5%			4%, 1/1/45 Pool # AS4257	265,647	279,660
Fannie Mae - 17.0%			4.5%, 2/1/45 Pool # MA2193	1,058,031	1,127,243
1.125%, 10/19/18 Pool # IE MAE	500,000	497,490	3.5%, 8/1/45 Pool # AS5645	769,280	790,257
3.5%, 5/1/28 Pool # AL3678	174,800	181,483	3.5%, 11/1/45 Pool # BA4907	607,636	624,205
3.5%, 8/1/29 Pool # MA2003	975,558	1,007,771	3.5%, 12/1/45 Pool # AS6309	353,685	363,330
3%, 9/1/30 Pool # 890696	1,367,102	1,395,446	4.5%, 10/1/46 Pool # MA2783	142,322	151,538
3%, 12/1/30 Pool # AL8924	569,642	581,435	4%, 12/1/46 Pool # BD2379	450,210	471,114
			3%, 1/1/47 Pool # BE0108	469,610	471,176
					28,119,828
Freddie Mac - 9.4%			4.5%, 2/1/25 Pool # J11722	207,720	217,850
			4.5%, 5/1/25 Pool # J12247	382,657	401,366
			8%, 6/1/30 Pool # C01005	13,572	15,653
			7%, 3/1/31 Pool # C48129	53,112	54,106
			5.5%, 11/1/34 Pool # A28282	804,908	900,446
			5.5%, 1/1/37 Pool # G04593	227,919	252,942
			5%, 10/1/39 Pool # G60465	1,826,569	1,980,799

See accompanying Notes to Financial Statements.

Core Bond Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
MORTGAGE BACKED SECURITIES - continued			U.S. Treasury Notes - 16.6%		
Freddie Mac - continued			2.750%, 2/15/19	\$3,500,000	\$ 3,534,863
4%, 10/1/41 Pool # Q04092	\$ 713,981	\$ 753,878	3.375%, 11/15/19	5,500,000	5,651,250
3%, 9/1/42 Pool # C04233	2,198,775	2,210,894	2.625%, 11/15/20	6,500,000	6,617,305
3%, 4/1/43 Pool # V80025	1,987,983	1,999,443	2.000%, 11/15/21	5,000,000	4,985,156
3%, 4/1/43 Pool # V80026	1,969,430	1,980,794	2.750%, 11/15/23	3,500,000	3,594,746
3.5%, 8/1/44 Pool # Q27927	654,636	675,207	2.125%, 3/31/24	1,500,000	1,484,707
3%, 7/1/45 Pool # G08653	994,423	995,567	2.250%, 11/15/25	1,500,000	1,486,817
3.5%, 8/1/45 Pool # Q35614	1,170,125	1,205,172			<u>27,354,844</u>
3%, 10/1/46 Pool # G60722	846,065	847,728	Total U.S. Government and Agency		
4%, 3/1/47 Pool # Q46801	928,248	972,360	Obligations (Cost \$40,713,127)		
		<u>15,464,205</u>		Shares	43,150,351
Ginnie Mae - 0.1%			SHORT-TERM INVESTMENTS - 1.5%		
6.5%, 2/20/29 Pool # 2714	55,799	64,180	State Street Institutional U.S. Government		
6.5%, 4/20/31 Pool # 3068	38,599	44,723	Money Market Fund, 1.21%, Premier Class	2,471,814	2,471,814
		<u>108,903</u>	Total Short-Term Investments		
Total Mortgage Backed Securities			(Cost \$2,471,814)		
(Cost \$43,385,349)		43,692,936			<u>2,471,814</u>
U.S. GOVERNMENT AND AGENCY			TOTAL INVESTMENTS - 98.8%		
OBLIGATIONS - 26.2%			(Cost \$158,132,796**)		
U.S. Treasury Bonds - 9.6%			NET OTHER ASSETS AND LIABILITIES - 1.2%		
6.625%, 2/15/27	5,000,000	6,740,820	TOTAL NET ASSETS - 100.0%		
4.500%, 5/15/38	4,000,000	5,198,750			<u>\$164,681,671</u>
3.000%, 5/15/45	750,000	787,646	** Aggregate cost for Federal tax purposes was \$158,132,796.		
2.500%, 5/15/46	500,000	475,625	(A) Floating rate or variable rate note. Rate shown is as of December 31, 2017.		
2.250%, 8/15/46	2,000,000	1,804,141	(B) Security sold within terms of a private placement memorandum exempt from registration under section 144A of the Securities Act of 1933, as amended, and may be sold only to dealers in that program or other "qualified institutional buyers."		
3.000%, 5/15/47	750,000	788,525	(C) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. The coupon rate shown represents the rate at period end.		
		<u>15,795,507</u>	(D) Notes and bonds, issued by foreign entities, denominated in U.S. dollars. The aggregate of these securities is 1.8% of total net assets.		
			LIBOR London Interbank Offered Rate.		
			MTN Medium Term Note.		

See accompanying Notes to Financial Statements.

High Income Fund Portfolio of Investments

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
CORPORATE NOTES AND BONDS - 91.0%			Energy - 7.6%		
Consumer Discretionary - 22.6%			American Midstream Partners L.P. / American		
Cablevision Systems Corp., 5.875%, 9/15/22	\$250,000	\$ 246,250	Midstream Finance Corp. (A), 8.5%, 12/15/21	\$375,000	\$ 385,313
CCO Holdings LLC / CCO Holdings Capital Corp. (A), 5.125%, 5/1/23	350,000	357,000	Andeavor Logistics, 6.375%, 5/1/24	250,000	271,250
CCO Holdings LLC / CCO Holdings Capital Corp. (A), 5.875%, 4/1/24	200,000	208,500	Carrizo Oil & Gas Inc., 6.25%, 4/15/23	375,000	389,063
Deck Chassis Acquisition Inc. (A), 10%, 6/15/23	100,000	111,250	Murphy Oil USA Inc., 5.625%, 5/1/27	400,000	420,080
Diamond Resorts International Inc. (A), 7.75%, 9/1/23	250,000	271,225	Unit Corp., 6.625%, 5/15/21	525,000	528,937
DISH DBS Corp., 5.125%, 5/1/20	500,000	510,625			1,994,643
GameStop Corp. (A), 6.75%, 3/15/21	325,000	339,625	Financials - 10.6%		
Group 1 Automotive Inc., 5%, 6/1/22	335,000	345,050	Acrisure LLC / Acrisure Finance Inc. (A), 7%, 11/15/25		
Jack Ohio Finance LLC / Jack Ohio Finance 1 Corp. (A), 6.75%, 11/15/21	250,000	263,125	Donnelley Financial Solutions Inc., 8.25%, 10/15/24	500,000	535,000
Mediacom Broadband LLC / Mediacom Broadband Corp., 6.375%, 4/1/23	400,000	411,000	Equinix Inc., 5.875%, 1/15/26	400,000	429,500
Nexteer Automotive Group Ltd. (A) (B), 5.875%, 11/15/21	315,000	328,387	FBM Finance Inc. (A), 8.25%, 8/15/21	250,000	265,625
Outfront Media Capital LLC / Outfront Media Capital Corp., 5.25%, 2/15/22	150,000	153,750	Jefferies Finance LLC / JFIN Co-Issuer Corp. (A), 7.25%, 8/15/24	250,000	256,563
Outfront Media Capital LLC / Outfront Media Capital Corp., 5.625%, 2/15/24	500,000	528,750	Ladder Capital Finance Holdings LLLP / Ladder Capital Finance Corp. (A), 5.25%, 10/1/25	250,000	248,750
Penske Automotive Group Inc., 5.75%, 10/1/22	250,000	257,812	MPT Operating Partnership L.P. / MPT Finance Corp., 5%, 10/15/27	400,000	407,500
Pinnacle Entertainment Inc., 5.625%, 5/1/24	250,000	267,500	Quicken Loans Inc. (A), 5.75%, 5/1/25	200,000	207,002
Scientific Games International Inc., 6.25%, 9/1/20	500,000	505,625	Solera LLC / Solera Finance Inc. (A), 10.5%, 3/1/24	200,000	224,996
Sinclair Television Group Inc., 6.125%, 10/1/22	250,000	257,500			2,767,688
Sirius XM Radio Inc. (A), 4.625%, 5/15/23	250,000	255,313	Health Care - 7.9%		
Univision Communications Inc. (A), 5.125%, 5/15/23	300,000	299,250	Acadia Healthcare Co. Inc., 5.125%, 7/1/22		
		5,917,537	Avantor Inc. (A), 6%, 10/1/24	200,000	199,250
Consumer Staples - 7.8%			HCA Inc., 5.875%, 2/15/26	250,000	264,375
Avon International Operations Inc. (A), 7.875%, 8/15/22	250,000	254,375	Mallinckrodt International Finance S.A. (B), 4.75%, 4/15/23	300,000	235,500
Cott Beverages Inc., 5.375%, 7/1/22	250,000	260,050	Mallinckrodt International Finance S.A. / Mallinckrodt CB LLC (A) (B), 4.875%, 4/15/20	500,000	480,000
Dean Foods Co. (A), 6.5%, 3/15/23	250,000	248,750	Valeant Pharmaceuticals International Inc. (A) (B), 5.625%, 12/1/21	400,000	391,000
First Quality Finance Co. Inc. (A), 4.625%, 5/15/21	400,000	403,000			2,071,375
Pilgrim's Pride Corp. (A), 5.75%, 3/15/25	350,000	361,812			
Post Holdings Inc. (A), 5.5%, 3/1/25	250,000	258,750			
Simmons Foods Inc. (A), 5.75%, 11/1/24	250,000	248,438			
		2,035,175			

See accompanying Notes to Financial Statements.

High Income Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
CORPORATE NOTES AND BONDS - continued			Telecommunication Services - 3.2%		
Industrials - 15.7%			Altice Luxembourg S.A. (A) (B), 7.625%, 2/15/25		
ARD Finance S.A., 7.125% Cash, 7.875% PIK (B), 7.125%, 9/15/23	\$250,000	\$ 261,250	Inmarsat Finance PLC (A) (B), 6.5%, 10/1/24	\$400,000	\$ 383,000
Avis Budget Car Rental LLC / Avis Budget Finance Inc. (A), 5.25%, 3/15/25	250,000	247,500	Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC (A), 3.36%, 3/20/23	300,000	304,500
Bombardier Inc. (A) (B), 8.75%, 12/1/21	250,000	274,375		140,625	141,503
Covanta Holding Corp., 5.875%, 3/1/24	500,000	507,500			829,003
DAE Funding LLC (A), 5%, 8/1/24	250,000	246,875	Utilities - 5.1%		
FTI Consulting Inc., 6%, 11/15/22	500,000	515,275	AES Corp., 5.5%, 4/15/25		
Griffon Corp., 5.25%, 3/1/22	300,000	303,000	AmeriGas Partners L.P. / AmeriGas Finance Corp., 5.875%, 8/20/26		
Herc Rentals Inc. (A), 7.5%, 6/1/22	240,000	258,600	Calpine Corp., 5.5%, 2/1/24		
Mueller Industries Inc., 6%, 3/1/27	250,000	255,625	NRG Energy Inc., 6.25%, 7/15/22		
Navistar International Corp. (A), 6.625%, 11/1/25	125,000	130,423	NRG Energy Inc., 6.25%, 5/1/24		
Nielsen Finance LLC / Nielsen Finance Co. (A), 5%, 4/15/22	420,000	432,075	Total Corporate Notes and Bonds (Cost \$23,106,018)		
Prime Security Services Borrower LLC / Prime Finance Inc. (A), 9.25%, 5/15/23	125,000	138,750			
Summit Materials LLC / Summit Materials Finance Corp., 8.5%, 4/15/22	250,000	276,875	Shares		
Tennant Co. (A), 5.625%, 5/1/25	250,000	262,500	SHORT-TERM INVESTMENTS - 7.8%		
		4,110,623	State Street Institutional U.S. Government Money Market Fund, 1.21%, Premier Class		
Information Technology - 4.3%			Total Short-Term Investments (Cost \$2,046,519)		
Alliance Data Systems Corp. (A), 6.375%, 4/1/20	400,000	402,980			
Diebold Nixdorf Inc., 8.5%, 4/15/24	395,000	419,687	TOTAL INVESTMENTS - 98.8% (Cost \$25,152,537**)		
Match Group Inc. (A), 5%, 12/15/27	125,000	126,875	NET OTHER ASSETS AND LIABILITIES - 1.2%		
Western Digital Corp. (A), 7.375%, 4/1/23	150,000	161,813			
		1,111,355	TOTAL NET ASSETS - 100.0%		
Materials - 4.7%					
Berry Global Inc., 5.125%, 7/15/23	250,000	260,000			
Rayonier AM Products Inc. (A), 5.5%, 6/1/24	545,000	542,956			
Sealed Air Corp. (A), 5.125%, 12/1/24	400,000	428,000			
		1,230,956			
Real Estate - 1.5%					
Iron Mountain Inc., 5.75%, 8/15/24	150,000	151,875			
Iron Mountain Inc. (A), 4.875%, 9/15/27	250,000	250,000			
		401,875			

** Aggregate cost for Federal tax purposes was \$25,152,537.

(A) Security sold within terms of a private placement memorandum exempt from registration under section 144A of the Securities Act of 1933, as amended, and may be sold only to dealers in that program or other "qualified institutional buyers."

(B) Notes and bonds, issued by foreign entities, denominated in U.S. dollars. The aggregate of these securities is 10.2% of total net assets.
PIK Payment in Kind.

PLC Public Limited Company.

Diversified Income Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
COMMON STOCKS - 62.4%			Information Technology - 11.2%		
Consumer Discretionary - 3.9%			Accenture PLC, Class A	24,500	\$ 3,750,705
Carnival Corp.	52,000	\$ 3,451,240	Analog Devices Inc.	25,000	2,225,750
Home Depot Inc./The	24,000	4,548,720	Apple Inc.	16,500	2,792,295
McDonald's Corp.	17,000	2,926,040	Automatic Data Processing Inc.	16,500	1,933,635
		10,926,000	Cisco Systems Inc.	141,000	5,400,300
Consumer Staples - 5.8%			Microsoft Corp.	68,500	5,859,490
Diageo PLC, ADR	29,000	4,234,870	TE Connectivity Ltd.	37,500	3,564,000
Nestle S.A., ADR	52,500	4,513,425	Texas Instruments Inc.	26,500	2,767,660
PepsiCo Inc.	32,500	3,897,400	Xilinx Inc.	44,500	3,000,190
Procter & Gamble Co./The	39,500	3,629,260			31,294,025
		16,274,955	Materials - 2.8%		
Energy - 4.4%			Monsanto Co.	16,000	1,868,480
Chevron Corp.	28,500	3,567,915	Praxair Inc.	39,500	6,109,860
Exxon Mobil Corp.	55,000	4,600,200			7,978,340
Schlumberger Ltd.	60,000	4,043,400	Telecommunication Service - 1.6%		
		12,211,515	Verizon Communications Inc.	84,000	4,446,120
Financials - 10.7%			Utilities - 2.7%		
BB&T Corp.	51,000	2,535,720	Dominion Energy Inc.	26,500	2,148,090
Chubb Ltd.	18,000	2,630,340	Duke Energy Corp.	25,545	2,148,590
CME Group Inc.	34,000	4,965,700	NextEra Energy Inc.	21,000	3,279,990
Northern Trust Corp.	23,000	2,297,470			7,576,670
PNC Financial Services Group Inc./The	35,500	5,122,295	Total Common Stocks		
Travelers Cos. Inc./The	27,500	3,730,100	(Cost \$111,820,077)		174,656,390
US Bancorp	103,000	5,518,740		Par Value	
Wells Fargo & Co.	53,000	3,215,510	ASSET BACKED SECURITIES - 0.3%		
		30,015,875	CarMax Auto Owner Trust, Series 2017-1, Class A2, 1.54%, 2/18/20	\$269,253	268,898
Health Care - 8.4%			Santander Drive Auto Receivables Trust, Series 2013-5, Class D, 2.73%, 10/15/19	174,479	174,956
Amgen Inc.	17,000	2,956,300	Santander Drive Auto Receivables Trust, Series 2014-5, Class C, 2.46%, 6/15/20	331,141	331,703
Johnson & Johnson	40,000	5,588,800	Total Asset Backed Securities		
Medtronic PLC	46,500	3,754,875	(Cost \$777,472)		775,557
Merck & Co. Inc.	52,000	2,926,040	COLLATERALIZED MORTGAGE OBLIGATIONS - 1.2%		
Novartis AG, ADR	48,500	4,072,060	Fannie Mae REMICS, Series 2011-31, Class DB, 3.5%, 4/25/31	350,000	361,631
Pfizer Inc.	115,000	4,165,300	Fannie Mae REMICS, Series 2011-36, Class QB, 4%, 5/25/31	481,000	509,207
		23,463,375	Fannie Mae REMICS, Series 2005-79, Class LT, 5.5%, 9/25/35	480,815	530,769
Industrials - 10.9%			Fannie Mae REMICS, Series 2011-101, Class NC, 2.5%, 4/25/40	609,595	609,679
3M Co.	9,000	2,118,330			
Boeing Co./The	13,500	3,981,285			
Caterpillar Inc.	21,500	3,387,970			
Emerson Electric Co.	53,000	3,693,570			
Fastenal Co.	81,000	4,429,890			
Union Pacific Corp.	21,500	2,883,150			
United Parcel Service Inc., Class B	42,500	5,063,875			
United Technologies Corp.	38,500	4,911,445			
		30,469,515			

See accompanying Notes to Financial Statements.

Diversified Income Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
COLLATERALIZED MORTGAGE OBLIGATIONS - continued			Consumer Staples - 0.7%		
Fannie Mae REMICS, Series 2016-21, Class BA, 3%, 3/25/42	\$447,290	\$ 450,420	Anheuser-Busch InBev Finance Inc., 4.9%, 2/1/46	\$500,000	\$ 579,494
Freddie Mac REMICS, Series 3825, Class CB, 3.5%, 3/15/26	400,000	415,248	Bunge Ltd. Finance Corp., 3.25%, 8/15/26	600,000	573,402
Freddie Mac REMICS, Series 4037, Class B, 3%, 4/15/27	450,000	449,688	CVS Health Corp., 5.125%, 7/20/45	400,000	458,438
Total Collateralized Mortgage Obligations (Cost \$3,408,848)		3,326,642	Tyson Foods Inc., 3.55%, 6/2/27	300,000	307,188
COMMERCIAL MORTGAGE-BACKED SECURITIES - 0.6%					1,918,522
Fannie Mae-Aces, Series 2016-M2, Class X2, IO (A) (B), 1.094%, 1/25/23	7,638,426	327,618	Energy - 1.2%		
FHLMC Multifamily Structured Pass Through Certificates, Series K066, Class A2, 3.117%, 6/25/27	225,000	229,595	Antero Resources Corp., 5.625%, 6/1/23	200,000	208,000
FREMF Mortgage Trust, Series 2011-K702, Class B (A) (B) (C), 4.793%, 4/25/44	500,000	500,127	Enterprise Products Operating LLC, 3.75%, 2/15/25	400,000	412,438
FREMF Mortgage Trust, Series 2012-K708, Class B (A) (B) (C), 3.75%, 2/25/45	700,000	707,848	Exxon Mobil Corp., 4.114%, 3/1/46	500,000	559,618
Total Commercial Mortgage-Backed Securities (Cost \$1,819,021)		1,765,188	Marathon Oil Corp., 2.7%, 6/1/20	500,000	500,070
CORPORATE NOTES AND BONDS - 13.1%			Phillips 66, 4.65%, 11/15/34	500,000	547,825
Consumer Discretionary - 2.6%			Schlumberger Holdings Corp. (C), 4%, 12/21/25	400,000	420,336
Amazon.com Inc. (C), 2.8%, 8/22/24	200,000	199,392	Valero Energy Corp., 6.625%, 6/15/37	500,000	658,957
Charter Communications Operating LLC / Charter Communications Operating Capital Corp., 4.464%, 7/23/22	600,000	626,010			3,307,244
Discovery Communications LLC, 5%, 9/20/37	300,000	310,828	Financials - 3.7%		
ERAC USA Finance LLC (C), 6.7%, 6/1/34	875,000	1,104,434	Air Lease Corp., 3.75%, 2/1/22	500,000	516,615
Ford Motor Credit Co. LLC, MTN, 2.943%, 1/8/19	500,000	503,122	Air Lease Corp., 3.625%, 4/1/27	500,000	499,604
GameStop Corp. (C), 6.75%, 3/15/21	200,000	209,000	American Express Co., 2.5%, 8/1/22	400,000	395,172
General Motors Financial Co. Inc., 3.2%, 7/6/21	650,000	656,345	Bank of America Corp., MTN, 2.503%, 10/21/22	400,000	395,745
GLP Capital L.P. / GLP Financing II Inc., 4.875%, 11/1/20	450,000	466,875	Bank of America Corp., MTN, (3M USD LIBOR + 0.930%) (B), 2.816%, 7/21/23	250,000	249,512
Lennar Corp., 4.75%, 4/1/21	350,000	364,000	Bank of America Corp., MTN, (3M USD LIBOR + 1.090%) (B), 3.093%, 10/1/25	200,000	199,541
Lowe's Cos. Inc., 2.5%, 4/15/26	400,000	384,526	Bank of Montreal, MTN (D), 1.9%, 8/27/21	500,000	489,467
Marriott International Inc., 3.125%, 6/15/26	400,000	393,460	Berkshire Hathaway Inc., 3.125%, 3/15/26	250,000	252,828
Newell Brands Inc., 5.5%, 4/1/46	450,000	536,524	Brookfield Finance Inc. (D), 4.25%, 6/2/26	200,000	206,431
Ornicom Group Inc., 3.6%, 4/15/26	650,000	657,591	Capital One Financial Corp., 3.3%, 10/30/24	400,000	397,901
Priceline Group Inc./The, 3.6%, 6/1/26	500,000	502,141	Cboe Global Markets Inc., 3.65%, 1/12/27	400,000	411,989
Walgreens Boots Alliance Inc., 3.45%, 6/1/26	350,000	346,099	Goldman Sachs Group Inc./The(3M USD LIBOR + 1.201%) (B), 3.272%, 9/29/25	750,000	746,978
		7,260,347	Huntington National Bank/The, 2.2%, 4/1/19	1,200,000	1,199,799
			JPMorgan Chase & Co., 2.972%, 1/15/23	500,000	504,193
			JPMorgan Chase & Co., 2.95%, 10/1/26	650,000	638,456
			Morgan Stanley, MTN, 3.875%, 1/27/26	200,000	208,473
			Morgan Stanley, 4.3%, 1/27/45	500,000	539,289
			Nasdaq Inc., 3.85%, 6/30/26	75,000	77,010
			Old Republic International Corp., 3.875%, 8/26/26	450,000	452,984
			Raymond James Financial Inc., 3.625%, 9/15/26	200,000	200,938

See accompanying Notes to Financial Statements.

Diversified Income Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
CORPORATE NOTES AND BONDS - continued					
Financials - continued					
Regions Financial Corp., 3.2%, 2/8/21	\$500,000	\$ 508,730	Harris Corp., 5.054%, 4/27/45	\$500,000	\$ 588,063
Regions Financial Corp., 2.75%, 8/14/22	250,000	249,214	Verizon Communications Inc., 5.15%, 9/15/23	750,000	834,483
Synchrony Financial, 3.75%, 8/15/21	600,000	615,246			<u>2,164,685</u>
Synchrony Financial, 3.7%, 8/4/26	400,000	394,368			
		<u>10,350,483</u>	Total Corporate Notes and Bonds		36,651,069
			(Cost \$35,049,459)		
Health Care - 1.2%					
AbbVie Inc., 4.45%, 5/14/46	400,000	434,800	LONG TERM MUNICIPAL BONDS - 2.5%		
Allergan Funding SCS (D), 4.75%, 3/15/45	300,000	319,367	General - 2.5%		
HCA Inc., 3.75%, 3/15/19	300,000	302,625	County of Pasco FL Water & Sewer Revenue, Series B, 6.76%, 10/1/39	1,000,000	1,083,960
Humana Inc., 2.5%, 12/15/20	300,000	299,770	Los Angeles Department of Water & Power Revenue, 6.166%, 7/1/40	1,000,000	1,094,290
Shire Acquisitions Investments Ireland DAC (D), 1.9%, 9/23/19	750,000	743,210	Metropolitan Transportation Authority Revenue, 6.548%, 11/15/31	1,000,000	1,311,330
UnitedHealth Group Inc., 2.875%, 3/15/23	1,000,000	1,011,491	New York City Transitional Finance Authority Future Tax Secured Revenue, 6.267%, 8/1/39	500,000	532,385
Zoetis Inc., 3%, 9/12/27	225,000	219,788	Northside Independent School District, General Obligation, Series B, (PSF-GTD), 5.741%, 8/15/35	850,000	899,954
		<u>3,331,051</u>	Rancho Water District Financing Authority Revenue, (Prerefunded 8/1/20 @ \$100), 6.337%, 8/1/40	5,000	5,504
Industrials - 0.5%					
Masco Corp., 4.375%, 4/1/26	400,000	422,200	Rancho Water District Financing Authority Revenue, 6.337%, 8/1/40	795,000	868,617
Norfolk Southern Corp., 5.59%, 5/17/25	957,000	1,097,576	University of Massachusetts Building Authority Revenue, 6.573%, 5/1/39	1,000,000	1,059,620
		<u>1,519,776</u>			<u>6,855,660</u>
Information Technology - 1.9%					
Analog Devices Inc., 5.3%, 12/15/45	350,000	415,976	Total Long Term Municipal Bonds		6,855,660
Apple Inc., 2.25%, 2/23/21	500,000	499,415	(Cost \$6,774,344)		
Autodesk Inc., 4.375%, 6/15/25	500,000	524,678	MORTGAGE BACKED SECURITIES - 9.1%		
Broadridge Financial Solutions Inc., 3.4%, 6/27/26	650,000	644,681	Fannie Mae - 6.1%		
Cisco Systems Inc., 2.2%, 2/28/21	700,000	697,779	3%, 5/1/27 Pool # AL1715	498,175	508,805
Citrix Systems Inc., 4.5%, 12/1/27	160,000	162,384	3.5%, 5/1/28 Pool # AL3678	174,800	181,483
Dell International LLC / EMC Corp. (C), 8.35%, 7/15/46	175,000	225,495	3.5%, 8/1/29 Pool # MA2003	391,939	404,881
Fidelity National Information Services Inc., 3%, 8/15/26	450,000	434,955	3%, 9/1/30 Pool # 890696	647,575	661,001
Intel Corp. (C), 3.734%, 12/8/47	435,000	451,721	3%, 12/1/30 Pool # AL8924	455,713	465,148
Oracle Corp., 4%, 7/15/46	500,000	532,005	7%, 11/1/31 Pool # 607515	23,970	26,240
Thomson Reuters Corp. (D), 4.3%, 11/23/23	600,000	633,289	3.5%, 12/1/31 Pool # MA0919	180,294	187,488
		<u>5,222,378</u>	3%, 2/1/32 Pool # AL9867	769,192	784,196
Real Estate - 0.5%					
Brixmor Operating Partnership L.P., 3.65%, 6/15/24	500,000	497,388	7%, 5/1/32 Pool # 644591	5,288	5,708
Iron Mountain Inc. (C), 4.375%, 6/1/21	300,000	304,464	3.5%, 8/1/32 Pool # MA3098	238,864	247,015
Welltower Inc., 4.5%, 1/15/24	725,000	774,731	5.5%, 10/1/33 Pool # 254904	154,249	171,137
		<u>1,576,583</u>	5.5%, 11/1/33 Pool # 555880	390,996	433,565
Telecommunication Services - 0.8%					
AT&T Inc., 4.75%, 5/15/46	500,000	489,023	5%, 5/1/34 Pool # 780890	516,210	560,812
AT&T Inc., 5.15%, 2/14/50	250,000	253,116	7%, 7/1/34 Pool # 792636	17,911	18,439
			4%, 2/1/35 Pool # MA2177	729,744	770,322
			5%, 9/1/35 Pool # 820347	251,196	276,452

See accompanying Notes to Financial Statements.

Diversified Income Fund Portfolio of Investments - continued

	Par Value	Value (Note 2)		Par Value	Value (Note 2)
MORTGAGE BACKED SECURITIES - continued					
Fannie Mae - continued					
5%, 9/1/35 Pool # 835699	\$206,586	\$ 227,253			
5%, 12/1/35 Pool # 850561	70,686	76,679			
5.5%, 9/1/36 Pool # 831820	395,265	439,901			
6%, 9/1/36 Pool # 831741	300,046	335,190			
5.5%, 10/1/36 Pool # 901723	187,329	207,123			
5.5%, 12/1/36 Pool # 903059	327,604	362,113			
4%, 1/1/41 Pool # AB2080	667,400	704,748			
4.5%, 7/1/41 Pool # AB3274	193,765	208,689			
5.5%, 7/1/41 Pool # AL6588	719,904	799,527			
4%, 9/1/41 Pool # AJ1406	477,816	501,706			
4%, 10/1/41 Pool # AJ4046	610,782	645,956			
3.5%, 6/1/42 Pool # AO4134	494,344	510,337			
3.5%, 6/1/42 Pool # AO4136	615,180	635,247			
3.5%, 8/1/42 Pool # AP2133	614,856	634,848			
4%, 10/1/42 Pool # AP7363	525,727	552,147			
3%, 2/1/43 Pool # AB8486	982,746	988,057			
3%, 2/1/43 Pool # AL3072	754,069	758,852			
3.5%, 3/1/43 Pool # AT0310	497,948	513,998			
4%, 1/1/45 Pool # AS4257	191,856	201,976			
4.5%, 2/1/45 Pool # MA2193	597,484	636,569			
3.5%, 4/1/45 Pool # MA2229	503,848	517,587			
3.5%, 11/1/45 Pool # BA4907	607,636	624,205			
3.5%, 12/1/45 Pool # AS6309	132,632	136,249			
		16,921,649			
Freddie Mac - 3.0%					
4.5%, 2/1/25 Pool # J11722	124,632	130,710			
4.5%, 5/1/25 Pool # J12247	107,622	112,884			
8%, 6/1/30 Pool # C01005	10,857	12,523			
6.5%, 1/1/32 Pool # C62333	79,485	88,042			
5%, 10/1/39 Pool # G60465	1,153,605	1,251,012			
3.5%, 11/1/40 Pool # G06168	313,297	323,310			
4.5%, 9/1/41 Pool # Q03516	503,925	537,652			
4%, 10/1/41 Pool # Q04092	713,981	753,878			
3%, 9/1/42 Pool # C04233	1,130,798	1,137,031			
3%, 4/1/43 Pool # V80025	795,193	799,777			
3%, 4/1/43 Pool # V80026	787,772	792,318			
3%, 7/1/45 Pool # G08653	238,661	238,936			
3.5%, 8/1/45 Pool # Q35614	780,083	803,448			
3%, 10/1/46 Pool # G60722	594,532	595,701			
4%, 3/1/47 Pool # Q46801	742,598	777,888			
		8,355,110			
			Ginnie Mae - 0.0%		
			6.5%, 4/20/31 Pool # 3068	\$ 31,787	\$ 36,830
			Total Mortgage Backed Securities		
			(Cost \$25,176,147)		25,313,589
			U.S. GOVERNMENT AND AGENCY OBLIGATIONS - 8.9%		
			Federal Home Loan Bank - 0.1%		
			1.750%, 12/21/23 (E)	350,000	349,117
			U.S. Treasury Bonds - 2.7%		
			6.625%, 2/15/27	2,270,000	3,060,333
			3.000%, 5/15/42	1,000,000	1,052,539
			2.500%, 2/15/45	1,250,000	1,191,650
			2.500%, 5/15/46	1,000,000	951,250
			2.250%, 8/15/46	1,000,000	902,070
			3.000%, 5/15/47	400,000	420,547
					7,578,389
			U.S. Treasury Notes - 6.1%		
			2.750%, 2/15/19	500,000	504,980
			3.125%, 5/15/19	2,000,000	2,034,219
			3.625%, 8/15/19	2,250,000	2,312,578
			3.375%, 11/15/19	1,000,000	1,027,500
			2.000%, 7/31/20	1,000,000	1,001,641
			2.625%, 11/15/20	6,200,000	6,311,891
			2.000%, 2/15/22	1,250,000	1,244,043
			1.750%, 5/15/22	1,750,000	1,721,836
			2.125%, 3/31/24	800,000	791,844
					16,950,532
			Total U.S. Government and Agency Obligations (Cost \$24,228,296)		
					24,878,038
			Shares	Value (Note 2)	
			SHORT-TERM INVESTMENTS - 1.6%		
			State Street Institutional U.S. Government Money Market Fund, 1.21%, Premier Class	4,589,005	\$ 4,589,005
			Total Short-Term Investments		
			(Cost \$4,589,005)		4,589,005
			TOTAL INVESTMENTS - 99.7%		
			(Cost \$213,642,669**)		278,811,138
			NET OTHER ASSETS AND LIABILITIES - 0.3%		
					927,721
			TOTAL NET ASSETS - 100.0%		
					\$279,738,859

See accompanying Notes to Financial Statements.

Diversified Income Fund Portfolio of Investments - continued

** Aggregate cost for Federal tax purposes was \$214,331,628.

- (A) Coupon rate may change based on changes of the underlying collateral or prepayments of principal. The coupon rate shown represents the rate at period end.
- (B) Floating rate or variable rate note. Rate shown is as of December 31, 2017.
- (C) Security sold within terms of a private placement memorandum exempt from registration under section 144A of the Securities Act of 1933, as amended, and may be sold only to dealers in that program or other "qualified institutional investors."

(D) Notes and bonds, issued by foreign entities, denominated in U.S. dollars. The aggregate of these securities is 0.9% of total net assets.

(E) Stepped rate security. Rate shown is as of December 31, 2017.

ADR American Depositary Receipt.

LIBOR London Interbank Offered Rate.

MTN Medium Term Note.

PLC Public Limited Company.

PSF-

GTD Permanent School Fund Guaranteed.

Large Cap Value Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
COMMON STOCKS - 98.7%					
Consumer Discretionary - 3.3%					
General Motors Co.	281,000	\$ 11,518,190			
Consumer Staples - 2.2%					
Nestle S.A., ADR	86,500	7,436,405			
Energy - 15.4%					
Canadian Natural Resources Ltd.	294,000	10,501,680			
Chevron Corp.	57,000	7,135,830			
EOG Resources Inc.	161,000	17,373,510			
Halliburton Co.	78,000	3,811,860			
Marathon Petroleum Corp.	223,000	14,713,540			
		53,536,420			
Financials - 27.6%					
Capital Markets - 4.5%					
Bank of New York Mellon Corp./The	287,000	15,457,820			
Commercial Banks - 16.0%					
Bank of America Corp.	605,000	17,859,600			
JPMorgan Chase & Co.	169,000	18,072,860			
Regions Financial Corp.	290,000	5,011,200			
US Bancorp	273,000	14,627,340			
		55,571,000			
Diversified Financial Services - 2.3%					
Berkshire Hathaway Inc., Class B *	41,000	8,127,020			
Insurance - 4.8%					
Hartford Financial Services Group Inc./The	293,000	16,490,040			
		95,645,880			
Health Care - 6.7%					
Baxter International Inc.	214,000	13,832,960			
Humana Inc.	38,500	9,550,695			
		23,383,655			
Industrials - 12.1%					
Delta Air Lines Inc.	179,000	10,024,000			
FedEx Corp.	58,000	14,473,320			
General Dynamics Corp.	20,500	4,170,725			
Textron Inc.	237,000	13,411,830			
		42,079,875			
Information Technology - 6.9%					
Seagate Technology PLC	264,000	\$ 11,045,760			
TE Connectivity Ltd.	135,500	12,877,920			
		23,923,680			
Materials - 12.4%					
DowDuPont Inc.	244,000	17,377,680			
Freeport-McMoRan Inc. *	650,000	12,324,000			
Rio Tinto PLC, ADR	252,500	13,364,825			
		43,066,505			
Real Estate - 4.1%					
Weyerhaeuser Co.	403,000	14,209,780			
Telecommunication Service - 4.1%					
T-Mobile U.S. Inc. *	221,000	14,035,710			
Utilities - 3.9%					
NRG Energy Inc.	471,000	13,414,080			
Total Common Stocks					
(Cost \$268,573,041)					342,250,180
SHORT-TERM INVESTMENTS - 1.1%					
State Street Institutional U.S. Government Money Market Fund, 1.21%, Premier Class	3,927,817	3,927,817			
Total Short-Term Investments					
(Cost \$3,927,817)					3,927,817
TOTAL INVESTMENTS - 99.8%					
(Cost \$272,500,858**)					346,177,997
NET OTHER ASSETS AND LIABILITIES - 0.2%					
					573,914
TOTAL NET ASSETS - 100.0%					
					\$346,751,911

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$272,500,858.

ADR American Depositary Receipt.

PLC Public Limited Company.

Large Cap Growth Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
COMMON STOCKS - 97.4%			Industrials - 4.5%		
Consumer Discretionary - 18.8%			Boeing Co./The	11,791	\$ 3,477,284
Amazon.com Inc. *	2,823	\$ 3,301,414	Jacobs Engineering Group Inc.	75,418	4,974,571
CBS Corp., Class B	96,026	5,665,534	United Parcel Service Inc., Class B	25,227	3,005,797
Comcast Corp., Class A	85,857	3,438,573			<u>11,457,652</u>
Home Depot Inc./The	28,126	5,330,721	Information Technology - 28.6%		
Liberty Global PLC, Series C *	130,529	4,417,101	Computers & Peripherals - 6.0%		
McDonald's Corp.	18,531	3,189,556	Apple Inc.	90,848	<u>15,374,207</u>
Omnicom Group Inc.	68,662	5,000,653	Electronic Equipment, Instruments & Components - 2.1%		
Starbucks Corp.	83,752	4,809,877	TE Connectivity Ltd.	55,025	<u>5,229,576</u>
TJX Cos. Inc./The	87,304	6,675,264	Internet Software & Services - 5.7%		
Walt Disney Co./The	59,319	6,377,386	Alphabet Inc., Class C *	13,818	<u>14,459,155</u>
		<u>48,206,079</u>	IT Services - 7.7%		
Consumer Staples - 9.9%			Accenture PLC, Class A	47,789	7,316,018
Costco Wholesale Corp.	39,356	7,324,939	PayPal Holdings Inc. *	38,362	2,824,210
CVS Health Corp.	51,292	3,718,670	Visa Inc., Class A	84,587	<u>9,644,610</u>
Diageo PLC, ADR	23,310	3,403,959			<u>19,784,838</u>
JM Smucker Co./The	40,173	4,991,093	Software - 7.1%		
PepsiCo Inc.	48,805	5,852,696	Microsoft Corp.	116,650	9,978,241
		<u>25,291,357</u>	Oracle Corp.	174,007	<u>8,227,051</u>
Energy - 3.8%					<u>18,205,292</u>
Apache Corp.	115,230	4,865,011			<u>73,053,068</u>
Schlumberger Ltd.	70,165	4,728,419	Materials - 1.7%		
		<u>9,593,430</u>	PPG Industries Inc.	36,653	<u>4,281,804</u>
Financials - 8.2%			Real Estate - 1.8%		
Berkshire Hathaway Inc., Class B *	30,894	6,123,809	American Tower Corp.	32,794	<u>4,678,720</u>
Brookfield Asset Management Inc., Class A	138,890	6,047,270	Total Common Stocks		
Charles Schwab Corp./The	112,813	5,795,204	(Cost \$147,056,083)		249,072,826
US Bancorp	57,852	3,099,710	SHORT-TERM INVESTMENTS - 2.6%		
		<u>21,065,993</u>	State Street Institutional U.S. Government		
Health Care - 20.1%			Money Market Fund, 1.21%, Premier Class	6,652,785	<u>6,652,785</u>
Allergan PLC	17,064	2,791,329	Total Short-Term Investments		
Amgen Inc.	31,194	5,424,637	(Cost \$6,652,785)		<u>6,652,785</u>
Biogen Inc. *	15,816	5,038,503	TOTAL INVESTMENTS - 100.0%		
Celgene Corp. *	53,594	5,593,070	(Cost \$153,708,868**)		255,725,611
Danaher Corp.	52,766	4,897,740	NET OTHER ASSETS AND LIABILITIES - 0.0%		
Express Scripts Holding Co. *	55,922	4,174,018			<u>81,705</u>
Gilead Sciences Inc.	110,157	7,891,647	TOTAL NET ASSETS - 100.0%		
Henry Schein Inc. *	50,535	3,531,386			<u>\$255,807,316</u>
Johnson & Johnson	33,197	4,638,285			
Novartis AG, ADR	52,221	4,384,475			
Varian Medical Systems Inc. *	27,707	3,079,633			
		<u>51,444,723</u>			

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$153,886,124.

ADR American Depositary Receipt.

PLC Public Limited Company.

See accompanying Notes to Financial Statements.

Mid Cap Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
COMMON STOCKS - 94.9%			Information Technology - 6.4%		
Consumer Discretionary - 23.4%			Amphenol Corp., Class A	47,296	\$ 4,152,589
CarMax Inc. *	119,095	\$ 7,637,562	CDW Corp.	126,620	8,798,824
Liberty Broadband Corp., Class C *	94,783	8,071,720			<u>12,951,413</u>
Liberty Global PLC, Series C *	221,035	7,479,825	Materials - 6.6%		
O'Reilly Automotive Inc. *	26,404	6,351,218	Axalta Coating Systems Ltd. *	236,061	7,638,934
Omnicom Group Inc.	96,456	7,024,891	Crown Holdings Inc. *	101,326	5,699,588
Ross Stores Inc.	81,501	6,540,455			<u>13,338,522</u>
TJX Cos. Inc./The	56,836	4,345,681	Real Estate - 4.7%		
		<u>47,451,352</u>	American Tower Corp.	32,408	4,623,649
Consumer Staples - 1.6%			Crown Castle International Corp.	44,196	4,906,198
Brown-Forman Corp., Class B	48,136	3,305,499			<u>9,529,847</u>
Energy - 0.9%			Total Common Stocks		
Oceaneering International Inc.	83,556	1,766,374	(Cost \$110,498,985)		192,331,111
Financials - 21.7%			SHORT-TERM INVESTMENTS - 5.1%		
Arch Capital Group Ltd. *	65,921	5,983,649	State Street Institutional U.S. Government		
Brookfield Asset Management Inc., Class A	196,774	8,567,540	Money Market Fund, 1.21%, Premier Class	10,334,355	10,334,355
Brown & Brown Inc.	154,201	7,935,183	Total Short-Term Investments		
Glacier Bancorp Inc.	119,962	4,725,303	(Cost \$10,334,355)		<u>10,334,355</u>
Markel Corp. *	9,182	10,459,492	TOTAL INVESTMENTS - 100.0%		
WR Berkley Corp.	89,558	6,416,831	(Cost \$120,833,340**)		202,665,466
		<u>44,087,998</u>	NET OTHER ASSETS AND LIABILITIES - 0.0%		
Health Care - 13.5%					<u>(16,426)</u>
DaVita Inc. *	100,043	7,228,107	TOTAL NET ASSETS - 100.0%		
Henry Schein Inc. *	102,146	7,137,962			<u>\$202,649,040</u>
Laboratory Corp. of America Holdings *	45,174	7,205,705			
Zoetis Inc.	79,931	5,758,229			
		<u>27,330,003</u>			
Industrials - 16.1%					
Copart Inc. *	244,076	10,541,642			
Expeditors International of Washington Inc.	121,582	7,865,140			
Fastenal Co.	99,555	5,444,663			
IHS Markit Ltd. *	146,140	6,598,221			
Wabtec Corp.	26,040	2,120,437			
		<u>32,570,103</u>			

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$120,995,415.

PLC Public Limited Company.

See accompanying Notes to Financial Statements.

International Stock Fund Portfolio of Investments

	Shares	Value (Note 2)		Shares	Value (Note 2)
COMMON STOCKS - 98.2%					
Australia - 3.2%			Hoshizaki Corp. (A)	2,300	\$ 203,063
BHP Billiton PLC (A)	49,383	\$ 1,010,806	Isuzu Motors Ltd. (A)	44,500	744,171
Caltex Australia Ltd. (A)	10,706	283,951	Kao Corp. (A)	6,630	448,439
		1,294,757	KDDI Corp. (A)	18,300	455,621
			Makita Corp. (A)	16,900	707,571
Belgium - 2.5%			Shin-Etsu Chemical Co. Ltd. (A)	4,800	486,839
Anheuser-Busch InBev S.A. (A)	6,218	693,573	Sony Corp. (A)	13,800	619,882
KBC Group N.V. (A)	3,808	324,437	Sumitomo Mitsui Financial Group Inc. (A)	16,100	695,359
		1,018,010	United Arrows Ltd. (A)	7,700	312,704
			Yamaha Corp. (A)	7,800	286,092
Brazil - 0.9%					7,531,819
Cielo S.A. (A)	50,300	355,177			
Canada - 4.4%			Luxembourg - 0.6%		
Canadian National Railway Co.	4,800	395,800	Tenaris S.A. (A)	16,916	267,024
National Bank of Canada	12,500	623,707			
Suncor Energy Inc.	21,200	778,345	Netherlands - 6.8%		
		1,797,852	ABN AMRO Group N.V. (A) (B)	9,560	307,623
Denmark - 2.5%			Koninklijke KPN N.V. (A)	95,229	332,228
AP Moeller - Maersk AS, Class B (A)	294	512,336	Royal Dutch Shell PLC, Class A (A)	37,650	1,260,401
Carlsberg AS, Class B (A)	4,395	526,417	Wolters Kluwer N.V. (A)	16,970	883,691
		1,038,753			2,783,943
Finland - 1.5%			Norway - 2.9%		
Sampo Oyj, Class A (A)	10,963	602,257	Statoil ASA (A)	23,881	510,864
			Telenor ASA (A)	30,793	659,607
France - 10.6%					1,170,471
Air Liquide S.A. (A)	5,982	752,363	Singapore - 2.5%		
Capgemini SE (A)	7,849	928,869	DBS Group Holdings Ltd. (A)	38,300	709,154
Cie Generale des Etablissements Michelin (A)	5,180	742,006	NetLink NBN Trust * (A)	468,000	292,153
Safran S.A. (A)	4,471	459,750			1,001,307
Valeo S.A. (A)	5,533	412,330	Spain - 1.7%		
Vinci S.A. (A)	10,165	1,037,104	Bankia S.A. (A)	18,948	90,440
		4,332,422	Red Electrica Corp. S.A. (A)	26,627	597,061
Germany - 4.2%					687,501
Deutsche Post AG (A)	14,057	667,776	Sweden - 3.4%		
SAP SE (A)	9,456	1,060,300	Assa Abloy AB, Class B (A)	35,722	741,246
		1,728,076	Nordea Bank AB (A)	54,446	658,935
Ireland - 5.6%					1,400,181
Medtronic PLC	9,990	806,692	Switzerland - 6.5%		
Ryanair Holdings PLC, ADR *	5,020	523,034	Ferguson PLC (A)	12,581	900,205
Shire PLC (A)	18,070	937,261	Julius Baer Group Ltd. * (A)	8,318	508,538
		2,266,987	Novartis AG (A)	14,803	1,251,471
Italy - 0.7%					2,660,214
UniCredit SpA * (A)	15,043	280,240	Taiwan - 1.5%		
Japan - 18.5%			Taiwan Semiconductor Manufacturing Co. Ltd., ADR	15,100	598,715
Bridgestone Corp. (A)	8,700	404,602	Turkey - 1.1%		
Daiwa House Industry Co. Ltd. (A)	27,435	1,053,970	Turkcell Iletisim Hizmetleri AS (A)	108,854	444,524
Don Quijote Holdings Co. Ltd. (A)	21,300	1,113,506			

See accompanying Notes to Financial Statements.

International Stock Fund Portfolio of Investments - continued

COMMON STOCKS - continued

United Kingdom - 16.6%

	Shares	Value (Note 2)
Aon PLC	6,300	\$ 844,200
British American Tobacco PLC (A)	16,990	1,146,663
BT Group PLC (A)	82,510	302,105
Diageo PLC (A)	18,827	689,037
Howden Joinery Group PLC (A)	50,419	317,556
Informa PLC (A)	43,976	427,788
Prudential PLC (A)	55,831	1,435,424
RELX PLC (A)	35,753	837,612
Unilever PLC (A)	14,186	785,898
		<u>6,786,283</u>

Total Common Stocks

(Cost \$33,405,653) 40,046,513

SHORT-TERM INVESTMENTS - 1.6%

United States - 1.6%

State Street Institutional U.S. Government Money Market Fund, 1.21%, Premier Class	636,257	<u>636,257</u>
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Total Short-Term Investments

(Cost \$636,257) 636,257

TOTAL INVESTMENTS - 99.8%

(Cost \$34,041,910) 40,682,770

NET OTHER ASSETS AND LIABILITIES - 0.2%

90,672

TOTAL NET ASSETS - 100.0%

\$ 40,773,442

(A) Due to events that occurred between the close of the exchange on which this security is traded and that of the New York Stock Exchange, fair value was determined for this security using methods determined in good faith by or at the discretion of the Board of Trustees (see Note 3).

(B) Security sold within terms of a private placement memorandum exempt from registration under section 144A of the Securities Act of 1933, as amended, and may be sold only to dealers in that program or other "qualified institutional investors." The securities have been determined to be liquid under guidelines established by the Board of Trustees.

ADR American Depositary Receipt.

PLC Public Limited Company.

OTHER INFORMATION:

Sector Allocation

	% of Net Assets
Consumer Discretionary	16.6%
Consumer Staples	10.5%
Energy	7.6%
Financials	17.4%
Health Care	7.3%
Industrials	15.9%
Information Technology	7.2%
Materials	5.5%
Real Estate	2.6%
Telecommunication Services	6.1%
Utilities	1.5%
Money Market Funds	1.6%
Net Other Assets and Liabilities	0.2%

* Non-income producing.

** Aggregate cost for Federal tax purposes was \$35,448,221.

Statements of Assets and Liabilities as of December 31, 2017

	Conservative Allocation Fund	Moderate Allocation Fund	Aggressive Allocation Fund	Core Bond Fund
Assets:				
Investments in securities, at cost				
Unaffiliated issuers	\$ 78,047,618	\$112,504,661	\$ 39,798,947	\$158,132,796
Affiliated issuers ¹	61,484,733	99,465,097	31,804,801	—
Net unrealized appreciation				
Unaffiliated issuers	4,563,539	13,360,425	6,613,677	4,646,528
Affiliated issuers ¹	6,147,527	18,419,721	8,121,858	—
Total investments at value	<u>150,243,417</u>	<u>243,749,904</u>	<u>86,339,283</u>	<u>162,779,324</u>
Cash	—	—	—	866,758
Foreign currency (cost of \$1,380) (Note 2)	—	—	—	—
Receivables:				
Investments sold	—	—	—	—
Fund shares sold	69,969	204,084	145,091	22,742
Dividends and Interest	895,430	2,745,185	1,240,773	1,189,459
Due from Adviser	12,740	20,681	7,331	—
Total assets	<u>151,221,556</u>	<u>246,719,854</u>	<u>87,732,478</u>	<u>164,858,283</u>
Liabilities:				
Payables:				
Investments purchased	677,062	2,561,230	1,220,575	—
Fund shares repurchased	17,101	11,943	—	82,966
Management fees	38,221	62,042	21,993	76,220
Audit and trustees fees	8,252	14,040	4,973	9,950
Distribution fees – Class II	6,299	5,666	477	7,476
Total liabilities	<u>746,935</u>	<u>2,654,921</u>	<u>1,248,018</u>	<u>176,612</u>
Net assets applicable to outstanding capital stock	<u>\$150,474,621</u>	<u>\$244,064,933</u>	<u>\$ 86,484,460</u>	<u>\$164,681,671</u>
Net assets consist of:				
Paid-in capital in excess of par	\$139,872,892	\$212,388,824	\$ 71,672,310	\$160,328,973
Accumulated undistributed net investment income	121,915	71,563	28,779	89,394
Accumulated net realized gain (loss) on investments sold and foreign currency related transactions	(231,252)	(175,600)	47,836	(383,224)
Net unrealized appreciation of investments (including appreciation (depreciation) of foreign currency related transactions)	<u>10,711,066</u>	<u>31,780,146</u>	<u>14,735,535</u>	<u>4,646,528</u>
Net Assets	<u>\$150,474,621</u>	<u>\$244,064,933</u>	<u>\$ 86,484,460</u>	<u>\$164,681,671</u>
Class I Shares:				
Net Assets	\$120,703,086	\$217,300,822	\$ 84,217,415	\$129,429,435
Shares of beneficial interest outstanding	11,809,428	20,034,679	8,320,390	13,262,500
Net Asset Value and redemption price per share	<u>\$10.22</u>	<u>\$10.85</u>	<u>\$10.12</u>	<u>\$9.76</u>
Class II Shares:				
Net Assets	\$ 29,771,535	\$ 26,764,111	\$ 2,267,045	\$ 35,252,236
Shares of beneficial interest outstanding	2,912,987	2,470,592	224,677	3,623,701
Net Asset Value and redemption price per share	<u>\$10.22</u>	<u>\$10.83</u>	<u>\$10.09</u>	<u>\$9.73</u>

¹ See Note 11 for information on affiliated issuers.

Statements of Assets and Liabilities as of December 31, 2017

High Income Fund	Diversified Income Fund	Large Cap Value Fund	Large Cap Growth Fund	Mid Cap Fund	International Stock Fund
\$ 25,152,537	\$213,642,669	\$272,500,858	\$153,708,868	\$120,833,340	\$ 34,041,910
—	—	—	—	—	—
699,337	65,168,469	73,677,139	102,016,743	81,832,126	6,640,860
—	—	—	—	—	—
<u>25,851,874</u>	<u>278,811,138</u>	<u>346,177,997</u>	<u>255,725,611</u>	<u>202,665,466</u>	<u>40,682,770</u>
—	—	—	16,528	24,528	—
—	—	—	—	—	1,380
—	—	214,793	—	—	19
1,111	31,963	61,909	67,167	55,562	881
331,374	1,091,352	505,984	270,891	99,052	166,943
—	—	—	—	—	—
<u>26,184,359</u>	<u>279,934,453</u>	<u>346,960,683</u>	<u>256,080,197</u>	<u>202,844,608</u>	<u>40,851,993</u>
—	—	—	—	—	14,416
2,022	6,213	15,301	82,321	29,093	19,570
16,647	165,108	173,174	171,535	152,955	39,649
1,494	15,687	19,144	14,079	11,315	2,105
1,177	8,586	1,153	4,946	2,205	2,811
<u>21,340</u>	<u>195,594</u>	<u>208,772</u>	<u>272,881</u>	<u>195,568</u>	<u>78,551</u>
<u>\$ 26,163,019</u>	<u>\$279,738,859</u>	<u>\$346,751,911</u>	<u>\$255,807,316</u>	<u>\$202,649,040</u>	<u>\$ 40,773,442</u>
\$ 27,105,194	\$214,185,047	\$271,616,677	\$151,280,068	\$120,593,458	\$ 41,670,943
24,534	127,318	106,683	30,930	—	13,461
(1,666,046)	258,025	1,350,429	2,479,575	223,456	(7,546,191)
699,337	65,168,469	73,678,122	102,016,743	81,832,126	6,635,229
<u>\$ 26,163,019</u>	<u>\$279,738,859</u>	<u>\$346,751,911</u>	<u>\$255,807,316</u>	<u>\$202,649,040</u>	<u>\$ 40,773,442</u>
\$ 20,601,123	\$239,212,388	\$341,212,823	\$232,362,007	\$192,140,452	\$ 27,516,177
2,379,627	12,238,907	11,980,038	8,755,757	10,129,581	2,345,878
<u>\$8.66</u>	<u>\$19.55</u>	<u>\$28.48</u>	<u>\$26.54</u>	<u>\$18.97</u>	<u>\$11.73</u>
\$ 5,561,896	\$ 40,526,471	\$ 5,539,088	\$ 23,445,309	\$ 10,508,588	\$ 13,257,265
641,865	2,087,475	196,632	894,199	565,152	1,135,732
<u>\$8.67</u>	<u>\$19.41</u>	<u>\$28.17</u>	<u>\$26.22</u>	<u>\$18.59</u>	<u>\$11.67</u>

See accompanying Notes to Financial Statements.

Statements of Operations for the Year Ended December 31, 2017

	Conservative Allocation Fund	Moderate Allocation Fund	Aggressive Allocation Fund	Core Bond Fund
Investment Income:				
Interest	\$ 28,892	\$ 53,125	\$ 19,417	\$ 5,442,344
Dividends				
Unaffiliated issuers	1,916,895	3,008,388	1,008,516	—
Affiliated issuers ¹	1,404,566	1,992,121	542,726	—
Less: Foreign taxes withheld/reclaimed	—	—	—	—
Total investment income	<u>3,350,353</u>	<u>5,053,634</u>	<u>1,570,659</u>	<u>5,442,344</u>
Expenses:²				
Management fees	440,768	749,698	261,835	961,233
Audit and trustee fees	28,158	48,501	16,898	34,144
Distribution fees - Class II	75,130	69,119	5,197	94,038
Other expenses	5,225	8,495	3,023	5,740
Total expenses before reimbursement/waiver	<u>549,281</u>	<u>875,813</u>	<u>286,953</u>	<u>1,095,155</u>
Less reimbursement/waiver ²	<u>(146,923)</u>	<u>(249,899)</u>	<u>(87,278)</u>	<u>—</u>
Total expenses net of waiver	<u>402,358</u>	<u>625,914</u>	<u>199,675</u>	<u>1,095,155</u>
Net Investment Income (Loss)	<u>2,947,995</u>	<u>4,427,720</u>	<u>1,370,984</u>	<u>4,347,189</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain on investments (including net realized gain (loss) on foreign currency related transactions)				
Options	—	—	—	6,710
Unaffiliated issuers	2,792,810	9,393,956	4,283,313	383,672
Affiliated issuers ¹	651,438	1,675,501	562,446	—
Capital gain distributions received from underlying funds				
Affiliated issuers ¹	961,571	2,980,281	1,346,946	—
Net change in unrealized appreciation on investments (including net unrealized appreciation (depreciation) on foreign currency related transactions)				
Unaffiliated issuers	3,713,537	7,940,807	3,786,977	591,067
Affiliated issuers ¹	<u>3,124,268</u>	<u>8,058,902</u>	<u>3,480,329</u>	<u>—</u>
Net Realized and Unrealized Gain on Investments	<u>11,243,624</u>	<u>30,049,447</u>	<u>13,460,011</u>	<u>981,449</u>
Net Increase in Net Assets from Operations	<u>\$ 14,191,619</u>	<u>\$ 34,477,167</u>	<u>\$ 14,830,995</u>	<u>\$ 5,328,638</u>

¹ See Note 11 for information on affiliated issuers.² See Note 3 for information on expenses.

Statements of Operations for the Year Ended December 31, 2017

High Income Fund	Diversified Income Fund	Large Cap Value Fund	Large Cap Growth Fund	Mid Cap Fund	International Stock Fund
\$ 1,476,293	\$ 3,408,884	\$ 52,719	\$ 46,707	\$ 104,239	\$ 10,092
19,964	4,590,206	9,903,284	3,945,395	1,670,851	1,097,424
—	—	—	—	—	—
—	(3,343)	(7,735)	(11,667)	(18,247)	(110,608)
<u>1,496,257</u>	<u>7,995,747</u>	<u>9,948,268</u>	<u>3,980,435</u>	<u>1,756,843</u>	<u>996,908</u>
204,275	1,962,453	2,052,192	2,024,430	1,847,068	469,461
5,296	54,232	66,137	48,913	39,903	7,881
14,047	102,350	13,182	60,138	26,759	33,468
917	9,704	11,889	8,878	7,041	1,524
<u>224,535</u>	<u>2,128,739</u>	<u>2,143,400</u>	<u>2,142,359</u>	<u>1,920,771</u>	<u>512,334</u>
—	—	—	—	—	—
<u>224,535</u>	<u>2,128,739</u>	<u>2,143,400</u>	<u>2,142,359</u>	<u>1,920,771</u>	<u>512,334</u>
1,271,722	5,867,008	7,804,868	1,838,076	(163,928)	484,574
—	—	—	—	—	—
208,730	12,354,557	19,175,375	31,958,000	19,610,591	228,731
—	—	—	—	—	—
—	—	—	—	—	—
189,436	16,682,463	24,364,107	17,042,657	10,329,405	7,552,307
—	—	—	—	—	—
<u>398,166</u>	<u>29,037,020</u>	<u>43,539,482</u>	<u>49,000,657</u>	<u>29,939,996</u>	<u>7,781,038</u>
<u>\$ 1,669,888</u>	<u>\$ 34,904,028</u>	<u>\$ 51,344,350</u>	<u>\$ 50,838,733</u>	<u>\$ 29,776,068</u>	<u>\$ 8,265,612</u>

See accompanying Notes to Financial Statements.

Statements of Changes in Net Assets

Year Ended December 31,	Conservative Allocation Fund		Moderate Allocation Fund	
	2017	2016	2017	2016
Net Assets at beginning of period	\$152,466,453	\$158,711,931	\$263,051,727	\$276,569,223
Increase (decrease) in net assets from operations:				
Net investment income	2,947,995	2,613,189	4,427,720	3,912,883
Net realized gain (loss)	4,405,819	2,897,381	14,049,738	8,470,937
Net change in unrealized appreciation (depreciation)	6,837,805	2,917,316	15,999,709	6,640,494
Net increase in net assets from operations	14,191,619	8,427,886	34,477,167	19,024,314
Distributions to shareholders from:				
Net investment income				
Class I	(2,500,202)	(2,388,145)	(4,216,851)	(4,504,299)
Class II	(529,648)	(523,620)	(442,525)	(452,980)
Net realized gains				
Class I	(3,187,066)	(1,850,936)	(11,344,314)	(5,953,436)
Class II	(789,844)	(480,832)	(1,405,372)	(708,013)
Total distributions	<u>(7,006,760)</u>	<u>(5,243,533)</u>	<u>(17,409,062)</u>	<u>(11,618,728)</u>
Capital Stock transactions:				
Class I Shares				
Shares sold	21,249,852	19,759,339	22,851,026	17,890,365
Issued to shareholders in reinvestment of distributions	5,687,269	4,239,082	15,561,165	10,457,735
Shares redeemed	(33,248,239)	(30,111,987)	(71,458,848)	(45,491,293)
Net decrease from capital stock transactions	<u>(6,311,118)</u>	<u>(6,113,566)</u>	<u>(33,046,657)</u>	<u>(17,143,193)</u>
Class II Shares				
Shares sold	1,905,666	3,991,826	1,476,470	1,829,876
Issued to shareholders in reinvestment of distributions	1,319,492	1,004,452	1,847,897	1,160,992
Shares redeemed	(6,090,731)	(8,312,543)	(6,332,609)	(6,770,757)
Net increase (decrease) from capital stock transactions	<u>(2,865,573)</u>	<u>(3,316,265)</u>	<u>(3,008,242)</u>	<u>(3,779,889)</u>
Total decrease from capital stock transactions	<u>(9,176,691)</u>	<u>(9,429,831)</u>	<u>(36,054,899)</u>	<u>(20,923,082)</u>
Total decrease in net assets	<u>(1,991,832)</u>	<u>(6,245,478)</u>	<u>(18,986,794)</u>	<u>(13,517,496)</u>
Net Assets at end of period	<u>\$150,474,621</u>	<u>\$152,466,453</u>	<u>\$244,064,933</u>	<u>\$263,051,727</u>
Undistributed net investment income included in net assets	\$ 21,915	\$ 58,163	\$ 71,563	\$ 99,180
Capital Share transactions:				
Class I Shares				
Shares sold	2,071,023	2,010,412	2,143,826	1,757,311
Issued to shareholders in reinvestment of distributions	556,409	435,118	1,434,551	1,027,532
Shares redeemed	(3,281,672)	(3,051,187)	(6,654,961)	(4,461,513)
Net decrease from capital share transactions	<u>(654,240)</u>	<u>(605,657)</u>	<u>(3,076,584)</u>	<u>(1,676,670)</u>
Class II Shares				
Shares sold	189,218	402,139	138,824	180,318
Issued to shareholders in reinvestment of distributions	129,103	103,182	170,566	114,261
Shares redeemed	(602,979)	(835,176)	(581,871)	(659,694)
Net increase (decrease) from capital share transactions	<u>(284,658)</u>	<u>(329,855)</u>	<u>(272,481)</u>	<u>(365,115)</u>

See accompanying Notes to Financial Statements.

Statements of Changes in Net Assets

Aggressive Allocation Fund		Core Bond Fund		High Income Fund		Diversified Income Fund	
2017	2016	2017	2016	2017	2016	2017	2016
\$ 90,949,828	\$ 91,926,453	\$184,945,243	\$218,078,096	\$ 27,407,016	\$ 29,917,586	\$286,037,793	\$306,895,571
1,370,984	1,203,221	4,347,189	5,025,878	1,271,722	1,384,743	5,867,008	6,556,029
6,192,705	2,348,675	390,382	4,163,122	208,730	(11,004)	12,354,557	20,236,756
7,267,306	4,084,782	591,067	(3,289,334)	189,436	1,869,070	16,682,463	(1,371,240)
14,830,995	7,636,678	5,328,638	5,899,666	1,669,888	3,242,809	34,904,028	25,421,545
(1,410,274)	(1,586,515)	(3,839,704)	(4,453,508)	(1,016,210)	(1,126,799)	(5,154,317)	(5,934,220)
(31,646)	(30,723)	(969,657)	(1,081,808)	(260,404)	(258,378)	(826,409)	(908,715)
(5,435,153)	(1,501,291)	—	—	—	—	(9,857,953)	(17,344,094)
(147,158)	(33,795)	—	—	—	—	(1,683,155)	(2,881,475)
(7,024,231)	(3,152,324)	(4,809,361)	(5,535,316)	(1,276,614)	(1,385,177)	(17,521,834)	(27,068,504)
14,299,948	11,721,462	6,624,555	10,793,608	528,995	429,079	10,710,442	11,019,757
6,845,426	3,087,806	3,839,704	4,453,508	1,016,210	1,126,799	15,012,270	23,278,313
(33,484,730)	(20,539,902)	(28,233,982)	(42,725,712)	(3,361,108)	(4,925,428)	(46,853,243)	(54,514,970)
(12,339,356)	(5,730,634)	(17,769,723)	(27,478,596)	(1,815,903)	(3,369,550)	(21,130,531)	(20,216,900)
213,038	297,021	2,264,909	882,591	783,472	75,212	2,884,175	5,616,780
178,804	64,517	969,657	1,081,808	260,404	258,378	2,509,564	3,790,190
(324,618)	(91,883)	(6,247,692)	(7,983,006)	(865,244)	(1,332,242)	(7,944,336)	(8,400,889)
67,224	269,655	(3,013,126)	(6,018,607)	178,632	(998,652)	(2,550,597)	1,006,081
(12,272,132)	(5,460,979)	(20,782,849)	(33,497,203)	(1,637,271)	(4,368,202)	(23,681,128)	(19,210,819)
(4,465,368)	(976,625)	(20,263,572)	(33,132,853)	(1,243,997)	(2,510,570)	(6,298,934)	(20,857,778)
\$ 86,484,460	\$ 90,949,828	\$164,681,671	\$184,945,243	\$ 26,163,019	\$ 27,407,016	\$279,738,859	\$286,037,793
\$ 28,779	\$ 32,397	\$ 89,394	\$ 124,269	\$ 24,534	\$ 29,426	\$ 127,318	\$ —
1,455,389	1,290,372	670,205	1,066,963	60,086	50,044	562,948	567,693
676,304	332,834	394,821	458,874	117,485	131,928	769,261	1,260,652
(3,375,439)	(2,260,176)	(2,850,687)	(4,227,861)	(377,920)	(581,998)	(2,434,037)	(2,811,124)
(1,243,746)	(636,970)	(1,785,661)	(2,702,024)	(200,349)	(400,026)	(1,101,828)	(982,779)
20,096	31,638	229,954	87,675	89,047	8,962	153,418	293,949
17,720	6,975	100,101	111,930	30,099	30,216	129,455	206,386
(32,466)	(9,983)	(629,907)	(792,397)	(97,240)	(157,240)	(410,213)	(434,410)
5,350	28,630	(299,852)	(592,792)	21,906	(118,062)	(127,340)	65,925

See accompanying Notes to Financial Statements.

Statements of Changes in Net Assets

Year Ended December 31,	Large Cap Value Fund		Large Cap Growth Fund	
	2017	2016	2017	2016
Net Assets at beginning of period	\$352,701,915	\$370,893,722	\$247,224,084	\$279,273,794
Increase (decrease) in net assets from operations:				
Net investment income (loss)	7,804,868	5,280,820	1,838,076	2,012,255
Net realized gain (loss)	19,175,375	40,921,164	31,958,000	12,229,493
Net change in unrealized appreciation (depreciation)	24,364,107	(3,697,009)	17,042,657	9,549
Net increase (decrease) in net assets from operations	51,344,350	42,504,975	50,838,733	14,251,297
Distributions to shareholders from:				
Net investment income				
Class I	(7,698,319)	(5,080,540)	(1,700,965)	(1,878,529)
Class II	(117,237)	(62,071)	(139,953)	(162,347)
Net realized gains				
Class I	(18,774,779)	(41,626,496)	(28,091,073)	(13,050,600)
Class II	(308,724)	(570,234)	(2,888,346)	(1,406,329)
Total distributions	<u>(26,899,059)</u>	<u>(47,339,341)</u>	<u>(32,820,337)</u>	<u>(16,497,805)</u>
Capital Stock transactions:				
Class I Shares				
Shares sold	10,247,248	12,137,375	9,778,133	11,322,134
Issued to shareholders in reinvestment of distributions	26,473,098	46,707,036	29,792,038	14,929,129
Shares redeemed	(67,580,492)	(71,501,833)	(46,921,100)	(52,331,252)
Net decrease from capital stock transactions	<u>(30,860,146)</u>	<u>(12,657,422)</u>	<u>(7,350,929)</u>	<u>(26,079,989)</u>
Class II Shares				
Shares sold	1,255,348	395,080	275,075	285,853
Issued to shareholders in reinvestment of distributions	425,960	632,305	3,028,299	1,568,676
Shares redeemed	(1,216,457)	(1,727,404)	(5,387,609)	(5,577,742)
Net increase (decrease) from capital stock transactions	<u>464,851</u>	<u>(700,019)</u>	<u>(2,084,235)</u>	<u>(3,723,213)</u>
Total decrease from capital stock transactions	<u>(30,395,295)</u>	<u>(13,357,441)</u>	<u>(9,435,164)</u>	<u>(29,803,202)</u>
Total increase (decrease) in net assets	<u>(5,950,004)</u>	<u>(18,191,807)</u>	<u>8,583,232</u>	<u>(32,049,710)</u>
Net Assets at end of period	<u>\$346,751,911</u>	<u>\$352,701,915</u>	<u>\$255,807,316</u>	<u>\$247,224,084</u>
Undistributed net investment income included in net assets	\$ 106,683	\$ 124,969	\$ 30,930	\$ 33,772
Capital Share transactions:				
Class I Shares				
Shares sold	375,647	432,829	368,199	445,528
Issued to shareholders in reinvestment of distributions	933,148	1,731,636	1,113,799	597,910
Shares redeemed	(2,429,088)	(2,567,010)	(1,721,641)	(2,061,576)
Net decrease from capital share transactions	<u>(1,120,293)</u>	<u>(402,545)</u>	<u>(239,643)</u>	<u>(1,018,138)</u>
Class II Shares				
Shares sold	46,300	13,732	10,349	11,205
Issued to shareholders in reinvestment of distributions	15,178	23,662	114,571	63,421
Shares redeemed	(43,767)	(63,535)	(196,943)	(222,064)
Net increase (decrease) from capital share transactions	<u>17,711</u>	<u>(26,141)</u>	<u>(72,023)</u>	<u>(147,438)</u>

See accompanying Notes to Financial Statements.

Statements of Changes in Net Assets

Mid Cap Fund		International Stock Fund	
2017	2016	2017	2016
\$214,217,873	\$233,688,172	\$ 39,604,139	\$ 47,200,403
(163,928)	61,054	484,574	737,458
19,610,591	15,300,014	228,731	(6,335,993)
10,329,405	10,146,964	7,552,307	4,137,319
29,776,068	25,508,032	8,265,612	(1,461,216)
—	(42,012)	(333,652)	(483,029)
—	—	(140,056)	(214,129)
(18,232,719)	(18,807,488)	—	—
(1,015,996)	(1,063,286)	—	—
(19,248,715)	(19,912,786)	(473,708)	(697,158)
8,585,574	8,998,407	620,534	1,221,810
18,232,719	18,849,500	333,652	483,029
(47,769,566)	(51,064,902)	(5,488,645)	(5,973,627)
(20,951,273)	(23,216,995)	(4,534,459)	(4,268,788)
296,716	175,753	425,059	798,715
1,015,996	1,063,286	140,056	214,129
(2,457,625)	(3,087,589)	(2,653,257)	(2,181,946)
(1,144,913)	(1,848,550)	(2,088,142)	(1,169,102)
(22,096,186)	(25,065,545)	(6,622,601)	(5,437,890)
(11,568,833)	(19,470,299)	1,169,303	(7,596,264)
\$202,649,040	\$214,217,873	\$ 40,773,442	\$ 39,604,139
\$ —	\$ —	\$ 13,461	\$ 10,452
461,805	494,649	58,835	125,031
964,367	1,040,777	28,685	50,032
(2,512,866)	(2,840,633)	(508,360)	(611,788)
(1,086,694)	(1,305,207)	(420,840)	(436,725)
15,984	9,520	40,942	81,288
54,813	59,602	12,069	22,266
(130,651)	(172,868)	(243,062)	(222,167)
(59,854)	(103,746)	(190,051)	(118,613)

See accompanying Notes to Financial Statements.

Financial Highlights for a Share of Beneficial Interest Outstanding

CONSERVATIVE ALLOCATION FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$9.74	\$9.56	\$10.22	\$10.70	\$10.45
Income from Investment Operations:					
Net investment income	0.21	0.17 ¹	0.16 ¹	0.19 ¹	0.25 ¹
Net realized and unrealized gain (loss) on investments	0.77	0.36	(0.24)	0.46	0.55
Total from investment operations	0.98	0.53	(0.08)	0.65	0.80
Less Distributions From:					
Net investment income	(0.22)	(0.20)	(0.20)	(0.25)	(0.27)
Capital gains	(0.28)	(0.15)	(0.38)	(0.88)	(0.28)
Total distributions	(0.50)	(0.35)	(0.58)	(1.13)	(0.55)
Net increase (decrease) in net asset value	0.48	0.18	(0.66)	(0.48)	0.25
Net Asset Value at end of period	\$10.22	\$9.74	\$9.56	\$10.22	\$10.70
Total Return (%) ²	10.17	5.48	(0.76)	6.03	7.61
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$120,703	\$121,351	\$125,007	\$156,054	\$181,427
Ratios of expenses to average net assets:					
Before waiver of expenses by Adviser (%)	0.32	0.32	0.32	0.31	0.31
After waiver of expenses by Adviser (%)	0.22	0.22	0.22	0.27	0.31
Ratio of net investment income to average net assets (%)	2.06	1.71	1.53	1.71	2.27
Portfolio turnover (%) ³	49	83	54	73	70
CLASS II					
Net Asset Value at beginning of period	\$9.73	\$9.55	\$10.20	\$10.68	\$10.43
Income from Investment Operations:					
Net investment income	0.18	0.14 ¹	0.15 ¹	0.18 ¹	0.22 ¹
Net realized and unrealized gain (loss) on investments	0.78	0.36	(0.25)	0.43	0.55
Total from investment operations	0.96	0.50	(0.10)	0.61	0.77
Less Distributions From:					
Net investment income	(0.19)	(0.17)	(0.17)	(0.21)	(0.24)
Capital gains	(0.28)	(0.15)	(0.38)	(0.88)	(0.28)
Total distributions	(0.47)	(0.32)	(0.55)	(1.09)	(0.52)
Net increase (decrease) in net asset value	0.49	0.18	(0.65)	(0.48)	0.25
Net Asset Value at end of period	\$10.22	\$9.73	\$9.55	\$10.20	\$10.68
Total Return (%) ²	9.90	5.21	(1.01)	5.77	7.34
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$29,772	\$31,116	\$33,705	\$37,837	\$40,069
Ratios of expenses to average net assets:					
Before waiver of expenses by Adviser (%)	0.57	0.57	0.57	0.56	0.56
After waiver of expenses by Adviser (%)	0.47	0.47	0.47	0.51	0.56
Ratio of net investment income to average net assets (%)	1.78	1.42	1.46	1.65	2.04
Portfolio turnover (%) ³	49	83	54	73	70

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

See accompanying Notes to Financial Statements.

Financial Highlights for a Share of Beneficial Interest Outstanding

MODERATE ALLOCATION FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$10.18	\$9.92	\$10.92	\$11.48	\$10.11
Income from Investment Operations:					
Net investment income	0.22	0.15 ¹	0.14 ¹	0.16 ¹	0.19 ¹
Net realized and unrealized gain (loss) on investments	1.29	0.58	(0.24)	0.62	1.39
Total from investment operations	1.51	0.73	(0.10)	0.78	1.58
Less Distributions From:					
Net investment income	(0.23)	(0.20)	(0.19)	(0.25)	(0.21)
Capital gains	(0.61)	(0.27)	(0.71)	(1.09)	—
Total distributions	(0.84)	(0.47)	(0.90)	(1.34)	(0.21)
Net increase (decrease) in net asset value	0.67	0.26	(1.00)	(0.56)	1.37
Net Asset Value at end of period	\$10.85	\$10.18	\$9.92	\$10.92	\$11.48
Total Return (%) ²	14.80	7.39	(0.93)	6.85	15.66
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$217,301	\$235,182	\$245,807	\$315,568	\$370,954
Ratios of expenses to average net assets:					
Before waiver of expenses by Adviser (%)	0.32	0.32	0.32	0.31	0.31
After waiver of expenses by Adviser (%)	0.22	0.22	0.22	0.27	0.31
Ratio of net investment income to average net assets (%)	1.80	1.49	1.30	1.37	1.75
Portfolio turnover (%) ³	39	91	52	73	66
CLASS II					
Net Asset Value at beginning of period	\$10.16	\$9.90	\$10.89	\$11.45	\$10.08
Income from Investment Operations:					
Net investment income	0.16	0.12 ¹	0.15 ¹	0.18 ¹	0.16 ¹
Net realized and unrealized gain (loss) on investments	1.31	0.58	(0.27)	0.57	1.39
Total from investment operations	1.47	0.70	(0.12)	0.75	1.55
Less Distributions From:					
Net investment income	(0.19)	(0.17)	(0.16)	(0.22)	(0.18)
Capital gains	(0.61)	(0.27)	(0.71)	(1.09)	—
Total distributions	(0.80)	(0.44)	(0.87)	(1.31)	(0.18)
Net increase (decrease) in net asset value	0.67	0.26	(0.99)	(0.56)	1.37
Net Asset Value at end of period	\$10.83	\$10.16	\$9.90	\$10.89	\$11.45
Total Return (%) ²	14.52	7.12	(1.18)	6.58	15.37
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$26,764	\$27,870	\$30,763	\$34,134	\$34,965
Ratios of expenses to average net assets:					
Before waiver of expenses by Adviser (%)	0.57	0.57	0.57	0.56	0.56
After waiver of expenses by Adviser (%)	0.47	0.47	0.47	0.51	0.56
Ratio of net investment income to average net assets (%)	1.54	1.18	1.36	1.49	1.49
Portfolio turnover (%) ³	39	91	52	73	66

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

Financial Highlights for a Share of Beneficial Interest Outstanding

AGGRESSIVE ALLOCATION FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$ 9.30	\$8.85	\$10.25	\$11.66	\$9.75
Income from Investment Operations:					
Net investment income	0.17	0.12 ¹	0.11 ¹	0.14 ¹	0.12 ¹
Net realized and unrealized gain (loss) on investments	1.54	0.66	(0.22)	0.72	2.07
Total from investment operations	1.71	0.78	(0.11)	0.86	2.19
Less Distributions From:					
Net investment income	(0.18)	(0.17)	(0.16)	(0.24)	(0.13)
Capital gains	(0.71)	(0.16)	(1.13)	(2.03)	(0.15)
Total distributions	(0.89)	(0.33)	(1.29)	(2.27)	(0.28)
Net increase (decrease) in net asset value	0.82	0.45	(1.40)	(1.41)	1.91
Net Asset Value at end of period	\$ 10.12	\$9.30	\$8.85	\$10.25	\$11.66
Total Return (%) ²	18.52	8.87	(1.14)	7.46	22.35
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$ 84,217	\$88,917	\$90,245	\$124,838	\$149,514
Ratios of expenses to average net assets:					
Before waiver of expenses by Adviser (%)	0.32	0.32	0.32	0.31	0.31
After waiver of expenses by Adviser (%)	0.22	0.22	0.22	0.27	0.31
Ratio of net investment income to average net assets (%)	1.57	1.34	1.08	1.13	1.07
Portfolio turnover (%) ³	36	89	53	70	70
CLASS II					
	2017	2016	2015	2014	2013
Net Asset Value at beginning of period	\$ 9.27	\$8.82	\$10.21	\$11.62	\$9.72
Income from Investment Operations:					
Net investment income	0.15	0.13 ¹	0.17 ¹	0.17 ¹	0.09 ¹
Net realized and unrealized gain (loss) on investments	1.53	0.62	(0.30)	0.66	2.06
Total from investment operations	1.68	0.75	(0.13)	0.83	2.15
Less Distributions From:					
Net investment income	(0.15)	(0.14)	(0.13)	(0.21)	(0.10)
Capital gains	(0.71)	(0.16)	(1.13)	(2.03)	(0.15)
Total distributions	(0.86)	(0.30)	(1.26)	(2.24)	(0.25)
Net increase (decrease) in net asset value	0.82	0.45	(1.39)	(1.41)	1.90
Net Asset Value at end of period	\$ 10.09	\$9.27	\$8.82	\$10.21	\$11.62
Total Return (%) ²	18.22	8.60	(1.39)	7.19	22.05
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$ 2,267	\$2,032	\$1,681	\$1,809	\$1,911
Ratios of expenses to average net assets:					
Before waiver of expenses by Adviser (%)	0.57	0.57	0.57	0.56	0.56
After waiver of expenses by Adviser (%)	0.47	0.47	0.47	0.51	0.56
Ratio of net investment income to average net assets (%)	1.53	1.42	1.64	1.45	0.81
Portfolio turnover (%) ³	36	89	53	70	70

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

Financial Highlights for a Share of Beneficial Interest Outstanding

CORE BOND FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$9.75	\$9.80	\$10.14	\$9.97	\$10.55
Income from Investment Operations:					
Net investment income	0.29	0.26 ¹	0.28 ¹	0.30 ¹	0.31 ¹
Net realized and unrealized gain (loss) on investments	0.02	(0.01)	(0.29)	0.20	(0.54)
Total from investment operations	0.31	0.25	(0.01)	0.50	(0.23)
Less Distributions From:					
Net investment income	(0.30)	(0.30)	(0.33)	(0.33)	(0.35)
Net increase (decrease) in net asset value	0.01	(0.05)	(0.34)	0.17	(0.58)
Net Asset Value at end of period	\$9.76	\$9.75	\$9.80	\$10.14	\$9.97
Total Return (%) ²	3.11	2.67	(0.15)	5.09	(2.24)
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$129,429	\$146,780	\$173,927	\$224,976	\$270,289
Ratios of expenses to average net assets (%)	0.57	0.57	0.57	0.56	0.56
Ratio of net investment income to average net assets (%)	2.54	2.53	2.73	2.88	3.02
Portfolio turnover (%) ³	16	39	25	17	14
CLASS II					
Net Asset Value at beginning of period	\$9.73	\$9.78	\$10.12	\$9.95	\$10.54
Income from Investment Operations:					
Net investment income	0.22	0.23 ¹	0.25 ¹	0.27 ¹	0.29 ¹
Net realized and unrealized gain (loss) on investments	0.06	—	(0.29)	0.21	(0.56)
Total from investment operations	0.28	0.23	(0.04)	0.48	(0.27)
Less Distributions From:					
Net investment income	(0.28)	(0.28)	(0.30)	(0.31)	(0.32)
Net increase (decrease) in net asset value	—	(0.05)	(0.34)	0.17	(0.59)
Net Asset Value at end of period	\$9.73	\$9.73	\$9.78	\$10.12	\$9.95
Total Return (%) ²	2.85	2.41	(0.40)	4.83	(2.49)
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$35,252	\$38,165	\$44,151	\$47,162	\$46,991
Ratios of expenses to average net assets (%)	0.82	0.82	0.82	0.81	0.81
Ratio of net investment income to average net assets (%)	2.29	2.28	2.48	2.62	2.77
Portfolio turnover (%) ³	16	39	25	17	14

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

Financial Highlights for a Share of Beneficial Interest Outstanding

HIGH INCOME FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$8.56	\$8.05	\$8.78	\$9.22	\$9.37
Income from Investment Operations:					
Net investment income	0.47	0.42 ¹	0.47 ¹	0.49 ¹	0.52 ¹
Net realized and unrealized gain (loss) on investments	0.08	0.55	(0.68)	(0.33)	(0.01)
Total from investment operations	0.55	0.97	(0.21)	0.16	0.51
Less Distributions From:					
Net investment income	(0.45)	(0.46)	(0.52)	(0.60)	(0.66)
Net increase (decrease) in net asset value	0.10	0.51	(0.73)	(0.44)	(0.15)
Net Asset Value at end of period	\$8.66	\$8.56	\$8.05	\$8.78	\$9.22
Total Return (%) ²	6.32	12.15	(2.47)	1.74	5.49
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$20,601	\$22,093	\$23,975	\$30,455	\$43,622
Ratios of expenses to average net assets (%)	0.77	0.77	0.77	0.76	0.76
Ratio of net investment income to average net assets (%)	4.72	4.91	5.23	5.12	5.42
Portfolio turnover (%) ³	39	58	27	53	32
CLASS II					
Net Asset Value at beginning of period	\$8.57	\$8.05	\$8.79	\$9.23	\$9.37
Income from Investment Operations:					
Net investment income	0.43	0.40 ¹	0.44 ¹	0.46 ¹	0.50 ¹
Net realized and unrealized gain (loss) on investments	0.09	0.56	(0.68)	(0.33)	—
Total from investment operations	0.52	0.96	(0.24)	0.13	0.50
Less Distributions From:					
Net investment income	(0.42)	(0.44)	(0.50)	(0.57)	(0.64)
Net increase (decrease) in net asset value	0.10	0.52	(0.74)	(0.44)	(0.14)
Net Asset Value at end of period	\$8.67	\$8.57	\$8.05	\$8.79	\$9.23
Total Return (%) ²	6.06	11.87	(2.71)	1.48	5.23
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$5,562	\$5,314	\$5,943	\$6,685	\$6,906
Ratios of expenses to average net assets (%)	1.02	1.02	1.02	1.01	1.01
Ratio of net investment income to average net assets (%)	4.47	4.66	4.98	4.88	5.17
Portfolio turnover (%) ³	39	58	27	53	32

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

Financial Highlights for a Share of Beneficial Interest Outstanding

DIVERSIFIED INCOME FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$18.40	\$18.64	\$20.30	\$20.76	\$18.29
Income from Investment Operations:					
Net investment income	0.45	0.44 ¹	0.46 ¹	0.47 ¹	0.46 ¹
Net realized and unrealized gain (loss) on investments	2.00	1.24	(0.43)	1.02	2.48
Total from investment operations	2.45	1.68	0.03	1.49	2.94
Less Distributions From:					
Net investment income	(0.45)	(0.49)	(0.52)	(0.52)	(0.47)
Capital gains	(0.85)	(1.43)	(1.17)	(1.43)	—
Total distributions	(1.30)	(1.92)	(1.69)	(1.95)	(0.47)
Net increase (decrease) in net asset value	1.15	(0.24)	(1.66)	(0.46)	2.47
Net Asset Value at end of period	\$19.55	\$18.40	\$18.64	\$20.30	\$20.76
Total Return (%) ²	13.31	8.99	0.11	7.12	16.07
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$239,212	\$245,490	\$267,001	\$327,951	\$378,807
Ratios of expenses to average net assets (%)	0.72	0.72	0.72	0.71	0.71
Ratio of net investment income to average net assets (%)	2.13	2.25	2.27	2.20	2.31
Portfolio turnover (%) ³	16	34	21	24	17
CLASS II					
Net Asset Value at beginning of period	\$18.31	\$18.57	\$20.23	\$20.71	\$18.26
Income from Investment Operations:					
Net investment income	0.37	0.39 ¹	0.41 ¹	0.41 ¹	0.41 ¹
Net realized and unrealized gain (loss) on investments	2.00	1.23	(0.42)	1.02	2.47
Total from investment operations	2.37	1.62	(0.01)	1.43	2.88
Less Distributions From:					
Net investment income	(0.42)	(0.45)	(0.48)	(0.48)	(0.43)
Capital gains	(0.85)	(1.43)	(1.17)	(1.43)	—
Total distributions	(1.27)	(1.88)	(1.65)	(1.91)	(0.43)
Net increase (decrease) in net asset value	1.10	(0.26)	(1.66)	(0.48)	2.45
Net Asset Value at end of period	\$19.41	\$18.31	\$18.57	\$20.23	\$20.71
Total Return (%) ²	13.03	8.72	(0.14)	6.85	15.78
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$40,526	\$40,548	\$39,894	\$44,772	\$43,601
Ratios of expenses to average net assets (%)	0.97	0.97	0.97	0.96	0.96
Ratio of net investment income to average net assets (%)	1.88	1.99	2.02	1.95	2.05
Portfolio turnover (%) ³	16	34	21	24	17

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

Financial Highlights for a Share of Beneficial Interest Outstanding

LARGE CAP VALUE FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$26.56	\$27.06	\$33.10	\$34.76	\$27.12
Income from Investment Operations:					
Net investment income	0.69	0.42 ¹	0.35 ¹	0.43 ¹	0.48 ¹
Net realized and unrealized gain (loss) on investments	3.60	3.13	(1.18)	3.97	7.67
Total from investment operations	4.29	3.55	(0.83)	4.40	8.15
Less Distributions From:					
Net investment income	(0.69)	(0.44)	(0.40)	(0.51)	(0.51)
Capital gains	(1.68)	(3.61)	(4.81)	(5.55)	—
Total distributions	(2.37)	(4.05)	(5.21)	(6.06)	(0.51)
Net increase (decrease) in net asset value	1.92	(0.50)	(6.04)	(1.66)	7.64
Net Asset Value at end of period	\$28.48	\$26.56	\$27.06	\$33.10	\$34.76
Total Return (%) ²	16.23	13.01	(2.68)	12.41	30.07
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$341,213	\$347,993	\$365,385	\$491,416	\$576,731
Ratios of expenses to average net assets (%)	0.62	0.62	0.62	0.61	0.61
Ratio of net investment income to average net assets (%)	2.28	1.50	1.09	1.18	1.53
Portfolio turnover (%) ³	77	93	90	82	32
CLASS II					
Net Asset Value at beginning of period	\$26.32	\$26.87	\$32.93	\$34.64	\$27.05
Income from Investment Operations:					
Net investment income	0.65	0.34 ¹	0.27 ¹	0.34 ¹	0.40 ¹
Net realized and unrealized gain (loss) on investments	3.52	3.11	(1.17)	3.94	7.64
Total from investment operations	4.17	3.45	(0.90)	4.28	8.04
Less Distributions From:					
Net investment income	(0.64)	(0.39)	(0.35)	(0.44)	(0.45)
Capital gains	(1.68)	(3.61)	(4.81)	(5.55)	—
Total distributions	(2.32)	(4.00)	(5.16)	(5.99)	(0.45)
Net increase (decrease) in net asset value	1.85	(0.55)	(6.06)	(1.71)	7.59
Net Asset Value at end of period	\$28.17	\$26.32	\$26.87	\$32.93	\$34.64
Total Return (%) ²	15.94	12.73	(2.92)	12.13	29.74
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$5,539	\$4,709	\$5,509	\$6,700	\$6,875
Ratios of expenses to average net assets (%)	0.87	0.87	0.87	0.86	0.86
Ratio of net investment income to average net assets (%)	2.08	1.24	0.84	0.93	1.28
Portfolio turnover (%) ³	77	93	90	82	32

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

See accompanying Notes to Financial Statements.

Financial Highlights for a Share of Beneficial Interest Outstanding

LARGE CAP GROWTH FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$24.84	\$25.12	\$27.27	\$28.76	\$24.09
Income from Investment Operations:					
Net investment income	0.22	0.20 ¹	0.28 ¹	0.19 ¹	0.17 ¹
Net realized and unrealized gain on investments	5.32	1.23	0.64	3.32	7.17
Total from investment operations	5.54	1.43	0.92	3.51	7.34
Less Distributions From:					
Net investment income	(0.22)	(0.22)	(0.32)	(0.20)	(0.18)
Capital gains	(3.62)	(1.49)	(2.75)	(4.80)	(2.49)
Total distributions	(3.84)	(1.71)	(3.07)	(5.00)	(2.67)
Net increase (decrease) in net asset value	1.70	(0.28)	(2.15)	(1.49)	4.67
Net Asset Value at end of period	\$26.54	\$24.84	\$25.12	\$27.27	\$28.76
Total Return (%) ²	22.28	5.74	3.26	12.13	30.51
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$232,362	\$223,450	\$251,524	\$305,800	\$359,959
Ratios of expenses to average net assets (%)	0.82	0.82	0.82	0.81	0.81
Ratio of net investment income to average net assets (%)	0.75	0.80	1.02	0.63	0.62
Portfolio turnover (%) ³	22	13	19	33	50
CLASS II					
Net Asset Value at beginning of period	\$24.60	\$24.92	\$27.10	\$28.63	\$24.02
Income from Investment Operations:					
Net investment income	0.14	0.14 ¹	0.21 ¹	0.11 ¹	0.10 ¹
Net realized and unrealized gain on investments	5.28	1.21	0.63	3.32	7.13
Total from investment operations	5.42	1.35	0.84	3.43	7.23
Less Distributions From:					
Net investment income	(0.18)	(0.18)	(0.27)	(0.16)	(0.13)
Capital gains	(3.62)	(1.49)	(2.75)	(4.80)	(2.49)
Total distributions	(3.80)	(1.67)	(3.02)	(4.96)	(2.62)
Net increase (decrease) in net asset value	1.62	(0.32)	(2.18)	(1.53)	4.61
Net Asset Value at end of period	\$26.22	\$24.60	\$24.92	\$27.10	\$28.63
Total Return (%) ²	21.98	5.47	3.00	11.85	30.18
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$23,445	\$23,774	\$27,749	\$32,168	\$33,983
Ratios of expenses to average net assets (%)	1.07	1.07	1.07	1.06	1.06
Ratio of net investment income to average net assets (%)	0.50	0.55	0.77	0.38	0.37
Portfolio turnover (%) ³	22	13	19	33	50

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

Financial Highlights for a Share of Beneficial Interest Outstanding

MID CAP FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$18.11	\$17.65	\$19.30	\$21.76	\$17.09
Income from Investment Operations:					
Net investment income (loss)	(0.01)	0.01 ¹	(0.05) ¹	0.02 ¹	0.00 ^{1,4}
Net realized and unrealized gain on investments	2.85	2.22	0.27	2.13	5.00
Total from investment operations	2.84	2.23	0.22	2.15	5.00
Less Distributions From:					
Net investment income	—	(0.00) ⁴	(0.01)	(0.01)	(0.00) ⁴
Capital gains	(1.98)	(1.77)	(1.86)	(4.60)	(0.33)
Total distributions	(1.98)	(1.77)	(1.87)	(4.61)	(0.33)
Net increase (decrease) in net asset value	0.86	0.46	(1.65)	(2.46)	4.67
Net Asset Value at end of period	\$18.97	\$18.11	\$17.65	\$19.30	\$21.76
Total Return (%) ²	15.74	12.84	1.04	9.82	29.28
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$192,140	\$203,076	\$220,979	\$286,704	\$381,703
Ratios of expenses to average net assets (%)	0.92	0.92	0.92	0.91	0.91
Ratio of net investment income (loss) to average net assets (%)	(0.07)	0.04	(0.24)	0.10	(0.01)
Portfolio turnover (%) ³	22	21	28	35	28
CLASS II					
Net Asset Value at beginning of period	\$17.83	\$17.44	\$19.13	\$21.65	\$17.05
Income from Investment Operations:					
Net investment income (loss)	(0.08)	(0.04) ¹	(0.09) ¹	(0.03) ¹	(0.05) ¹
Net realized and unrealized gain on investments	2.82	2.20	0.26	2.11	4.98
Total from investment operations	2.74	2.16	0.17	2.08	4.93
Less Distributions From:					
Capital gains	(1.98)	(1.77)	(1.86)	(4.60)	(0.33)
Total distributions	(1.98)	(1.77)	(1.86)	(4.60)	(0.33)
Net increase (decrease) in net asset value	0.76	0.39	(1.69)	(2.52)	4.60
Net Asset Value at end of period	\$18.59	\$17.83	\$17.44	\$19.13	\$21.65
Total Return (%) ²	15.45	12.55	0.79	9.55	28.95
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$10,509	\$11,142	\$12,710	\$15,067	\$15,762
Ratios of expenses to average net assets (%)	1.17	1.17	1.17	—	1.16
Ratio of net investment income to average net assets (%)	(0.32)	(0.21)	(0.49)	(0.15)	(0.26)
Portfolio turnover (%) ³	22	21	28	35	28

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

⁴ Amounts represent less than \$0.005 per share.

Financial Highlights for a Share of Beneficial Interest Outstanding

INTERNATIONAL STOCK FUND

	Year Ended December 31,				
	2017	2016	2015	2014	2013
CLASS I					
Net Asset Value at beginning of period	\$9.69	\$10.16	\$10.77	\$12.99	\$10.78
Income from Investment Operations:					
Net investment income	0.17	0.18 ¹	0.19 ¹	0.27 ¹	0.16 ¹
Net realized and unrealized gain (loss) on investments	2.01	(0.47)	(0.56)	(1.10)	2.07
Total from investment operations	2.18	(0.29)	(0.37)	(0.83)	2.23
Less Distributions From:					
Net investment income	(0.14)	(0.18)	(0.22)	(0.47)	(0.02)
Capital gains	—	—	(0.02)	(0.92)	—
Total distributions	(0.14)	(0.18)	(0.24)	(1.39)	(0.02)
Net increase (decrease) in net asset value	2.04	(0.47)	(0.61)	(2.22)	2.21
Net Asset Value at end of period	\$11.73	\$9.69	\$10.16	\$10.77	\$12.99
Total Return (%) ²	22.54	(2.91)	(3.45)	(6.76)	20.76
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$27,516	\$26,809	\$32,560	\$38,826	\$75,808
Ratios of expenses to average net assets (%)	1.17	1.17	1.17	1.17	1.21
Ratio of net investment income to average net assets (%)	1.27	1.84	1.70	2.09	1.37
Portfolio turnover (%) ³	28	98	23	103	39
CLASS II					
Net Asset Value at beginning of period	\$9.65	\$10.14	\$10.74	\$12.96	\$10.76
Income from Investment Operations:					
Net investment income	0.08	0.16 ¹	0.16 ¹	0.22 ¹	0.13 ¹
Net realized and unrealized gain (loss) on investments	2.06	(0.49)	(0.55)	(1.08)	2.07
Total from investment operations	2.14	(0.33)	(0.39)	(0.86)	2.20
Less Distributions From:					
Net investment income	(0.12)	(0.16)	(0.19)	(0.44)	(0.00) ⁴
Capital gains	—	—	(0.02)	(0.92)	—
Total distributions	(0.12)	(0.16)	(0.21)	(1.36)	(0.00) ⁴
Net increase (decrease) in net asset value	2.02	(0.49)	(0.60)	(2.22)	2.20
Net Asset Value at end of period	\$11.67	\$9.65	\$10.14	\$10.74	\$12.96
Total Return (%) ²	22.24	(3.16)	(3.69)	(6.99)	20.45
Ratios/Supplemental Data:					
Net Assets at end of period (in 000's)	\$13,257	\$12,796	\$14,641	\$16,174	\$19,134
Ratios of expenses to average net assets (%)	1.42	1.42	1.42	1.42	1.46
Ratio of net investment income to average net assets (%)	1.02	1.58	1.43	1.72	1.10
Portfolio turnover (%) ³	28	98	23	103	39

¹ Based on average shares outstanding during the year.

² These returns are after all charges at the mutual fund level have been subtracted. These returns are higher than the returns at the separate account level because charges made at the separate account level have not been subtracted. Total returns are not annualized for periods less than one year.

³ Portfolio turnover is calculated at the fund level and represents the entire fiscal year or period.

⁴ Amounts represent less than \$(0.005) per share.

Notes to Financial Statements

1. ORGANIZATION

The Ultra Series Fund (the “Trust”), a Massachusetts business trust, is registered under the Investment Company Act of 1940 (the “1940 Act”), as amended, as a diversified, open-end management investment company. The Trust is a series trust with, at the end of the period covered by this report, 14 investment portfolios (individually, a “fund,” and collectively, the “funds”), each with different investment objectives and policies. The funds reported within this book at the end of the period were the Core Bond Fund, High Income Fund, Diversified Income Fund, Large Cap Value Fund, Large Cap Growth Fund, Mid Cap Fund and International Stock Fund (collectively, the “Core Funds”), and the Conservative Allocation Fund, Moderate Allocation Fund and Aggressive Allocation Fund (collectively, the “Target Allocation Funds”).

The Declaration of Trust permits the Board of Trustees to issue an unlimited number of full and fractional shares of the Trust without par value. All funds offer Class I and II shares. Each class of shares represents an interest in the assets of the respective fund and has identical voting, dividend, liquidation and other rights, except that each class of shares bears its own distribution fee, if any, and its proportional share of fund level expenses, and has exclusive voting rights on matters pertaining to Rule 12b-1 under the 1940 Act as it relates to that class and other class specific matters. Shares are offered to separate accounts (the “Accounts”) of CMFG Life Insurance Company and to qualified pension and retirement plans of CMFG Life Insurance Company or its affiliates (“CUNA Mutual Group”). The Trust may, in the future, offer other share classes to separate accounts of insurance companies and to qualified pension and retirement plans that are not affiliated with CUNA Mutual Group. The Trust does not offer shares directly to the general public.

The Trust has entered into a Management Agreement with Madison Asset Management, LLC (the “Investment Adviser” or “Madison”). The Investment Adviser, in turn, has entered into a subadvisory agreement with a subadviser (“Subadviser”) for the management of the investments of the International Stock Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The funds are investment companies that apply the accounting and reporting guidance in the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, *Financial Services-Investment Companies* (ASC 946). The following is a summary of significant accounting policies consistently followed by each fund in the preparation of its financial statements.

Portfolio Valuation: The Trust and each series of the Trust referred to individually as a fund values securities and other investments as follows: Equity securities, including American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”) and exchange-traded funds (“ETFs”) listed on any U.S. or foreign stock exchange or quoted on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”) are valued at the last quoted sale price or official closing price on that exchange or NASDAQ on the valuation day (provided that, for securities traded on NASDAQ, the funds utilize the NASDAQ Official Closing Price (“NOCP”)). If no sale occurs, equities traded on a U.S. exchange, foreign exchange or on NASDAQ are valued at the bid price. Debt securities (other than short-term obligations) purchased with a remaining maturity of 61 days or more are valued on the basis of last available bid prices or current market quotations provided by dealers or pricing services approved by the Trust. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments.

Notes to Financial Statements

Municipal debt securities are traded via a network among dealers and brokers that connect buyers and sellers. Liquidity in the tax-exempt market is influenced by economic conditions, issuer financial strength, bond structure, trade size, supply and demand, tax code and regulatory environment. There may be little trading in the secondary market for the particular bonds and other debt securities, making them more difficult to value or sell. Asset-backed and mortgage-backed securities are valued by independent pricing services using models that consider estimated cash flows of each tranche of the security, establish a benchmark yield and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche.

Investments in shares of open-end mutual funds, including money market funds, are valued at their daily net asset value ("NAV") which is calculated as of the close of regular trading on the New York Stock Exchange (the "NYSE") usually 4:00 p.m. Eastern Standard Time on each day on which the NYSE is open for business. NAV per share is determined by dividing each fund's total net assets by the number of shares of such fund outstanding at the time of calculation. Because the assets of each Target Allocation Fund consist primarily of shares of other registered investment companies (the "Underlying Funds"), the NAV of each fund is determined based on the NAVs of the Underlying Funds. Total net assets are determined by adding the total current value of portfolio securities, cash, receivables, and other assets and subtracting liabilities. Short-term instruments having maturities of 60 days or less are valued on an amortized cost basis, which approximates market value.

Over-the-counter securities not listed or traded on NASDAQ are valued at the last sale price on the valuation day. If no sale occurs on the valuation day, an over-the-counter security is valued at the last bid price. Exchange-traded options are valued at the mean of the best bid and ask prices across all option exchanges. Financial futures contracts generally are valued at the settlement price established by the exchange(s) on which the contracts are primarily traded. Spot and forward foreign currency exchange contracts are valued based on quotations supplied by dealers in such contracts. Overnight repurchase agreements are valued at cost, and term repurchase agreements (i.e., those whose maturity exceeds seven days), swaps, caps, collars and floors, if any, are valued at the average of the closing bids obtained daily from at least one dealer.

Through the end of this reporting period, the value of all assets and liabilities expressed in foreign currencies was converted into U.S. dollar values using the then-current exchange rate at the close of regular trading on the NYSE.

All other securities for which either quotations are not readily available, no other sales have occurred, or in the Investment Adviser's opinion, do not reflect the current market value, are appraised at their fair values as determined in good faith by the Pricing Committee (the "Committee") and under the general supervision of the Board of Trustees. When fair value pricing of securities is employed, the prices of securities used by the funds to calculate NAV may differ from market quotations or NOCP. Because the Target Allocation Funds primarily invest in Underlying Funds, government securities and short-term paper, it is not anticipated that the Investment Adviser will need to "fair value" any of the investments of these funds. However, an Underlying Fund may need to "fair value" one or more of its investments, which may, in turn, require a Target Allocation Fund to do the same because of delays in obtaining the Underlying Fund's NAV.

A fund's investments (or Underlying Fund) will be valued at fair value if, in the judgment of the Committee, an event impacting the value of an investment occurred between the closing time of a security's primary market or exchange (for example, a foreign exchange or market) and the time the fund's share price is calculated as of the close of regular trading on the NYSE. Significant events may include, but are not limited to, the following: (1) significant fluctuations in domestic markets, foreign markets or foreign currencies; (2) occurrences not directly tied to the securities markets such as natural disasters, armed conflicts or significant government actions; and (3) major announcements affecting a single issuer or an entire market or market sector. In responding to a significant event, the Committee would determine the fair value of affected securities considering factors including, but not limited to: fundamental analytical data relating to the investment; the nature

Notes to Financial Statements

and duration of any restrictions on the disposition of the investment; and the forces influencing the market(s) in which the investment is purchased or sold.

In addition to independent fair value decisions made by the Committee noted above, the Committee also engages an independent fair valuation service to adjust the valuations of foreign equity securities based on specific market-movement parameters established by the Committee and approved by the Trust. Such adjustments to the valuation of foreign securities are applied automatically upon market close if the parameters established are exceeded. A foreign security is also automatically fair valued if the exchange it is traded on is on holiday.

Security Transactions and Investment Income: Security transactions are accounted for on a trade date basis. Net realized gains or losses on sales are determined by the identified cost method. Interest income is recorded on an accrual basis. Dividend income is recorded on ex-dividend date, except that certain dividends from foreign securities may be recorded after the ex-dividend date based on when the fund is informed of the dividend. Interest income is recorded on an accrual basis and is increased by the accretion of discount and decreased by the amortization of premium. Amortization and accretion are recorded on the effective yield method.

Expenses: Expenses that are directly related to one fund are charged directly to that fund. Other operating expenses are prorated to the funds on the basis of relative net assets. Class-specific expenses are borne by that class.

Classes: Income and realized and unrealized gains/losses are allocated to the respective classes on the basis of relative net assets.

Repurchase Agreements: Each fund may engage in repurchase agreements. In a repurchase agreement, a security is purchased for a relatively short period (usually not more than seven days) subject to the obligation to sell it back to the issuer at a fixed time and price plus accrued interest. The funds will enter into repurchase agreements only with members of the Federal Reserve System and with "primary dealers" in U.S. Government securities.

The Trust has established a procedure providing that the securities serving as collateral for each repurchase agreement must be delivered to the Trust's custodian either physically or in book-entry form and that the collateral must be marked to market daily to ensure that each repurchase agreement is fully collateralized at all times. In the event of bankruptcy or other default by a seller of a repurchase agreement, a fund could experience one of the following: delays in liquidating the underlying securities during the period in which the fund seeks to enforce its rights thereto, possible decreased levels of income, declines in value of the underlying securities, or lack of access to income during this period and the expense of enforcing its rights. As of December 31, 2017, none of the funds held open repurchase agreements.

Foreign Currency Transactions: The Trust's books and records are maintained in U.S. dollars. Foreign currency-denominated transactions (i.e., market value of investment securities, assets and liabilities, purchases and sales of investment securities, and income and expenses) are translated into U.S. dollars at the current rate of exchange. The funds enter into contracts on the trade date to settle any securities transactions denominated in foreign currencies on behalf of the funds at the spot rate at settlement.

Each fund reports certain foreign currency-related transactions as components of realized gains or losses for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes. Realized gains or losses associated with currency transactions are included in the Statements of Operations under the heading "Net realized gain (loss) on investments." Only the International Stock Fund had net realized gains from foreign currency transactions.

Notes to Financial Statements

The funds do not isolate the portion of gains and losses on investments in securities that is due to changes in the foreign exchange rates from that which is due to change in market prices of securities. Such amounts are categorized as gain or loss on investments for financial reporting purposes.

Forward Foreign Currency Exchange Contracts: Each fund may purchase and sell forward foreign currency exchange contracts for defensive or hedging purposes. When entering into forward foreign currency exchange contracts, the funds agree to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily. The funds' net assets reflect unrealized gains or losses on the contracts as measured by the difference between the forward foreign currency exchange rates at the dates of entry into the contracts and the forward rates at the reporting date. The funds realize a gain or a loss at the time the forward foreign currency exchange contracts are settled or closed out with an offsetting contract. Contracts are traded over-the-counter directly with a counterparty. Realized and unrealized gains and losses are included in the Statements of Operations. As of December 31, 2017, none of the funds had open forward foreign currency exchange contracts.

If a fund enters into a forward foreign currency exchange contract to buy foreign currency for any purpose, the fund will be required to place cash or other liquid assets in a segregated account with the fund's custodian in an amount equal to the value of the fund's total assets committed to the consummation of the forward contract. If the value of the securities in the segregated account declines, additional cash or securities will be placed in the segregated account so that the value of the account will equal the amount of the fund's commitment with respect to the contract.

Cash Concentration: At times, the funds maintain cash balances at financial institutions in excess of federally insured limits. The funds monitor this credit risk and have not experienced any losses related to this risk.

Illiquid Securities: Each fund currently limits investments in illiquid securities to 15% of net assets at the time of purchase. An illiquid security is generally defined as any investment that may be difficult to sell within seven days for the price at which the fund values it. At December 31, 2017, there were no illiquid securities held in the funds. Pursuant to guidelines adopted by the Board of Trustees, certain unregistered securities are determined to be liquid and are not included within the percent limitations specified above.

Delayed Delivery Securities: Each fund may purchase securities on a when-issued or delayed delivery basis. "When-issued" refers to securities whose terms are available and for which a market exists, but that have not been issued. For when-issued or delayed delivery transactions, no payment is made until delivery date, which is typically longer than the normal course of settlement. When a fund enters into an agreement to purchase securities on a when-issued or delayed delivery basis, the fund segregates cash or other liquid securities, of any type or maturity, equal in value to the fund's commitment. Losses may arise due to changes in the market value of the underlying securities, if the counterparty does not perform under the contract, or if the issuer does not issue the securities due to political, economic or other factors. As of December 31, 2017, none of the funds had entered into such transactions.

Indemnifications: Under the funds' organizational documents, the funds' officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the funds. In the normal course of business, the funds enter into contracts that contain a variety of representations and provide general indemnifications. The funds' maximum liability exposure under these arrangements is unknown, as future claims that have not yet occurred may be made against the funds. However, based on experience, management expects the risk of loss to be remote.

Notes to Financial Statements

Fair Value Measurements: Each fund has adopted Financial Accounting Standards Board (the “FASB”) guidance on fair value measurements. Fair value is defined as the price that each fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy is used to maximize the use of observable market data “inputs” and minimize the use of unobservable “inputs” and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs used in the valuation technique). Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below:

- Level 1 — unadjusted quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including quoted prices for similar investments, interest rate volatilities, prepayment speeds, credit risk, benchmark yields, transactions, bids, offers, new issues, spreads and other relationships observed in the markets among comparable securities, underlying equity of the issuer; and proprietary pricing models such as yield measures calculated using factors such as cash flows, financial or collateral performance and other reference data, etc.)
- Level 3 — significant unobservable inputs (including the fund’s own assumptions in determining the fair value of investments)

The valuation techniques used by the funds to measure fair value for the year ended December 31, 2017 maximized the use of observable inputs and minimized the use of unobservable inputs. The funds utilized the following fair value techniques: multi-dimensional relational pricing model and option adjusted spread pricing; the funds estimated the price that would have prevailed in a liquid market for an international equity security given information available at the time of valuation. As of December 31, 2017, none of the funds held securities deemed as a Level 3, and there were no transfers between classification levels.

The following is a summary of the inputs used as of December 31, 2017, in valuing the funds’ investments carried at fair value:

Notes to Financial Statements

Fund¹	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Value at 12/31/17
Conservative Allocation	\$150,243,417	\$ —	\$ —	\$150,243,417
Moderate Allocation	243,749,904	—	—	243,749,904
Aggressive Allocation	86,339,283	—	—	86,339,283
Core Bond				
Asset Backed Securities	—	3,538,238	—	3,538,238
Collateralized Mortgage Obligations	—	3,521,063	—	3,521,063
Commercial Mortgage-Backed Securities	—	3,254,829	—	3,254,829
Corporate Notes and Bonds	—	56,056,980	—	56,056,980
Long Term Municipal Bonds	—	7,093,113	—	7,093,113
Mortgage Backed Securities	—	43,692,936	—	43,692,936
U.S. Government and Agency Obligations	—	43,150,351	—	43,150,351
Short-Term Investments	2,471,814	—	—	2,471,814
	<u>2,471,814</u>	<u>160,307,510</u>	<u>—</u>	<u>162,779,324</u>
High Income				
Corporate Notes and Bonds	—	23,805,355	—	23,805,355
Short-Term Investments	2,046,519	—	—	2,046,519
	<u>2,046,519</u>	<u>23,805,355</u>	<u>—</u>	<u>25,851,874</u>
Diversified Income				
Common Stocks	174,656,390	—	—	174,656,390
Asset Backed Securities	—	775,557	—	775,557
Collateralized Mortgage Obligations	—	3,326,642	—	3,326,642
Commercial Mortgage-Backed Securities	—	1,765,188	—	1,765,188
Corporate Notes and Bonds	—	36,651,069	—	36,651,069
Long Term Municipal Bonds	—	6,855,660	—	6,855,660
Mortgage Backed Securities	—	25,313,589	—	25,313,589
U.S. Government and Agency Obligations	—	24,878,038	—	24,878,038
Short-Term Investments	4,589,005	—	—	4,589,005
	<u>179,245,395</u>	<u>99,565,743</u>	<u>—</u>	<u>278,811,138</u>
Large Cap Value				
Common Stocks	342,250,180	—	—	342,250,180
Short-Term Investments	3,927,817	—	—	3,927,817
	<u>346,177,997</u>	<u>—</u>	<u>—</u>	<u>346,177,997</u>
Large Cap Growth				
Common Stocks	249,072,826	—	—	249,072,826
Short-Term Investments	6,652,785	—	—	6,652,785
	<u>255,725,611</u>	<u>—</u>	<u>—</u>	<u>255,725,611</u>
Mid Cap				
Common Stocks	192,331,111	—	—	192,331,111
Short-Term Investments	10,334,355	—	—	10,334,355
	<u>202,665,466</u>	<u>—</u>	<u>—</u>	<u>202,665,466</u>

¹ See respective portfolio of investments for underlying holdings in each fund. For additional information on the Underlying Funds held in the Conservative, Moderate and Aggressive Allocation Funds, including shareholder prospectuses and financial reports, please visit each Underlying Funds' website or visit the Securities and Exchange Commission's website at <http://www.sec.gov>.

Notes to Financial Statements

Fund¹	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Value at 12/31/17
International Stock				
Common Stocks				
Australia	\$ —	\$ 1,294,757	\$ —	\$ 1,294,757
Belgium	—	1,018,010	—	1,018,010
Brazil	—	355,177	—	355,177
Canada	—	1,797,852	—	1,797,852
Denmark	—	1,038,753	—	1,038,753
Finland	—	602,257	—	602,257
France	—	4,332,422	—	4,332,422
Germany	—	1,728,076	—	1,728,076
Ireland	1,329,726	937,261	—	2,266,987
Italy	—	280,240	—	280,240
Japan	—	7,531,819	—	7,531,819
Luxembourg	—	267,024	—	267,024
Netherlands	—	2,783,943	—	2,783,943
Norway	—	1,170,471	—	1,170,471
Singapore	—	1,001,307	—	1,001,307
Spain	—	687,501	—	687,501
Sweden	—	1,400,181	—	1,400,181
Switzerland	—	2,660,214	—	2,660,214
Taiwan	598,715	—	—	598,715
Turkey	—	444,524	—	444,524
United Kingdom	844,200	5,942,083	—	6,786,283
Short-Term Investments	636,257	—	—	636,257
	<u>3,408,898</u>	<u>37,273,872</u>	<u>—</u>	<u>40,682,770</u>

¹ See respective portfolio of investments for underlying holdings in each fund. For additional information on the Underlying Funds held in the Conservative, Moderate and Aggressive Allocation Funds, including shareholder prospectuses and financial reports, please visit each Underlying Funds' website or visit the Securities and Exchange Commission's website at <http://www.sec.gov>.

Derivatives: The FASB issued guidance intended to enhance financial statement disclosure for derivative instruments and hedging activities and enable investors to understand: a) how and why a fund uses derivative investments, b) how derivative instruments and related hedge fund items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows.

The following table presents the effect of derivative instruments on the Statement of Operations for the year ended December 31, 2017:

Fund	Derivatives not accounted for as hedging Instruments	Realized Gain (Loss) on Derivatives:	Change in Unrealized Depreciation on Derivatives
Core Bond	Equity contracts, Options purchased	\$ 46,949	\$ —
	Equity contracts, Options written	(40,239)	—

Management has determined that there is no impact on the financial statements of the other funds held in the Trust as they currently do not hold derivative financial instruments.

Notes to Financial Statements

Recently Issued Accounting Pronouncements: In October 2016, the U.S. Securities and Exchange Commission ("SEC") adopted new rules and forms, and amendments to certain current rules and forms, to modernize reporting and disclosure of information by registered investment companies. The amendments to Regulation S-X require standardized, enhanced disclosure about derivatives in investment company financial statements, and also change the rules governing the form and content of such financial statements. The amendments to Regulation S-X took effect on August 1, 2017 and the financial statements have been updated, as applicable.

In March 2017, the FASB issued Accounting Standards Update (ASU) 2017-08 which changes the amortization period for a callable debt security from the maturity date to the earliest call date. The ASU is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods. At this time, management is still evaluating the impacts this ASU will have on the financial statements.

3. MANAGEMENT, DISTRIBUTION AGREEMENTS AND OTHER EXPENSES

Management Agreement: For services under the Management Agreement, the Investment Adviser is entitled to receive a management fee, which is calculated daily and paid monthly, at an annual rate based upon the following percentages of average daily net assets of each fund as follows as of December 31, 2017:

<u>Fund</u>	<u>Management Fee</u>	<u>Fund</u>	<u>Management Fee</u>
Conservative Allocation	0.30%	Diversified Income	0.70%
Moderate Allocation	0.30%	Large Cap Value	0.60%
Aggressive Allocation	0.30%	Large Cap Growth	0.80%
Core Bond	0.55%	Mid Cap	0.90%
High Income	0.75%	International Stock	1.15%

The Management Agreement requires the Investment Adviser to provide or arrange to provide overall management of the funds, including but not limited to, investment advisory services, custody, transfer agency, dividend disbursing, legal, accounting and administrative services.

The Investment Adviser is solely responsible for the payment of all fees to the Subadviser. Lazard Asset Management LLC served as the subadviser for the International Stock Fund. The Investment Adviser manages the Core Bond Fund, High Income Fund, Diversified Income Fund, Large Cap Value Fund, Large Cap Growth Fund, Mid Cap Fund and the Target Allocation Funds.

The Investment Adviser may from time to time contractually or voluntarily agree to waive a portion of its fees or expenses related to the funds. Effective July 1, 2014, the Investment Adviser contractually agreed to waive a portion (0.10%) of its management fee of the Target Allocation Funds, which waiver is in effect until at least April 30, 2018. For the year ended December 31, 2017, the waivers were as follows:

<u>Waived Fees or Expenses*</u>			
<u>Fund</u>	<u>Class I</u>	<u>Class II</u>	<u>Total Waivers</u>
Conservative Allocation	\$116,876	\$30,047	\$146,923
Moderate Allocation	222,248	27,651	249,899
Aggressive Allocation	85,198	2,080	87,278

*The Investment Adviser does not have the right to recoup these waived fees.

Notes to Financial Statements

Distribution Agreement: MFD Distributor, LLC ("MFD") serves as distributor of the funds. The Trust adopted a distribution and service plan with respect to the Trust's Class II shares pursuant to Rule 12b-1 under the 1940 Act. Under the plan, the Trust will pay a service fee with regard to Class II shares at an annual rate of 0.25% each fund's daily net assets.

MFD may from time to time voluntarily agree to waive a portion of its fees or expenses related to the funds. MFD does not have the right to recoup these waived fees.

Other Expenses: In addition to the management fee noted above, the Trust is responsible to pay the following expenses: expenses for independent audits; fees and expenses of the independent trustees and their independent counsel; brokerage commissions and other expenses incurred in the acquisition or disposition of any securities or other investments; costs of borrowing money, overdrafts (if any) and any potential taxes owed; and extraordinary expenses (including litigation and/or consulting expenses) as approved by a majority of the independent trustees.

Audit and trustees fees are broken out separately from "other expenses" on the Statement of Operations.

Certain officers and trustees of the Trust are also officers of the Investment Adviser. The funds do not compensate their officers or affiliated trustees. The Nominating and Governance Committee of the Board may change trustee fees paid at any time.

4. DIVIDENDS FROM NET INCOME AND DISTRIBUTIONS OF CAPITAL GAINS

The funds declare dividends from net investment income and net realized gains from investment transactions, if any, annually, which are reinvested in additional full and fractional shares of the respective funds.

Income and capital gain distributions, if any, are determined in accordance with federal income tax regulations, which may differ from accounting principles generally accepted in the United States of America. Taxable distributions from income and realized capital gains of the funds may differ from book amounts earned during the period due to differences in the timing of capital gains recognition, and due to the reclassification of certain gains or losses from capital to income.

5. SECURITIES TRANSACTIONS

For the year ended December 31, 2017, aggregate cost of purchases and proceeds from sales of securities, other than short-term investment, were as follows:

Fund	U.S. Government Securities		Other Investment Securities	
	Purchases	Sales	Purchases	Sales
Conservative Allocation	\$ —	\$ —	\$ 69,896,634	\$ 83,972,514
Moderate Allocation	—	—	95,742,391	139,981,278
Aggressive Allocation	—	—	30,674,173	45,816,832
Core Bond	12,117,126	22,887,872	15,146,611	21,101,598
High Income	—	—	9,450,057	10,217,476
Diversified Income	7,213,054	18,603,760	38,044,168	58,392,581
Large Cap Value	—	—	259,785,255	305,006,156
Large Cap Growth	—	—	54,704,843	91,321,039
Mid Cap	—	—	42,047,936	77,801,249
International Stock	—	—	11,045,431	16,448,605

6. FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS

The Core Bond Fund may purchase and sell futures contracts and purchase and write options on futures contracts on a limited basis. The fund may purchase and sell futures contracts based on various securities (such as U.S. Government securities), securities indices, foreign currencies and other financial instruments and indices. The fund will engage in futures or related

Notes to Financial Statements

options transactions on a limited basis only for bona fide hedging purposes or for purposes of seeking to increase total returns to the extent permitted by regulations of the Commodity Futures Trading Commission.

Futures Contracts. The Core Bond Fund may use futures contracts to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts are the imperfect correlation between the change in market value of the securities held by the fund and the prices of futures contracts and the possibility of an illiquid market. Futures contracts are valued based upon their quoted daily settlement prices. Upon entering into a futures contract, the fund is required to deposit with its futures broker an amount of cash, U.S. Government and Agency Obligations, or other assets, in accordance with the initial margin requirements of the broker or exchange. Futures contracts are marked to market daily and based on such movements in the price of the contracts, an appropriate payable or receivable for the change in value may be posted or collected by the fund ("variation margin"). Gains or losses are recognized but not considered realized until the contracts expire or close. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed within exchange traded or centrally cleared financial derivative instruments on the Statement of Assets and Liabilities.

Options on Futures Contracts. The acquisition of put and call options on futures contracts will give the Core Bond Fund the right (but not the obligation) for a specified price, to sell or to purchase, respectively, the underlying futures contract at any time during the option period. As the purchaser of an option on a futures contract, the fund obtains the benefit of the futures position if prices move in a favorable direction but limits its risk of loss in the event of an unfavorable price movement to the loss of the premium and transaction costs.

The writing of a call option on a futures contract generates a premium which may partially offset a decline in the value of the fund's assets. By writing a call option, the fund becomes obligated, in exchange for the premium, to sell a futures contract which may have a value higher than the exercise price. Conversely, the writing of a put option on a futures contract generates a premium, which may partially offset an increase in the price of securities that the fund intends to purchase. However, the fund becomes obligated to purchase a futures contract, which may have a value lower than the exercise price. Thus, the loss incurred by the fund in writing options on futures is potentially unlimited and may exceed the amount of the premium received.

7. FOREIGN SECURITIES

Each fund may invest in foreign securities. Foreign securities are defined as securities that are: (i) issued by companies organized outside the U.S. or whose principal operations are outside the U.S., or issued by foreign governments or their agencies or instrumentalities ("foreign issuers"); (ii) principally traded outside of the U.S.; and/or (iii) quoted or denominated in a foreign currency ("non-dollar securities"). Foreign securities include American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), Global Depositary Receipts ("GDRs"), Swedish Depositary Receipts ("SDRs") and foreign money market securities. U.S. dollar-denominated securities that are part of the Merrill Lynch U.S. Domestic Master Index are not considered a foreign security.

Certain of the funds have reclaimed receivable balances, in which the funds are due a reclaim on the taxes that have been paid to some foreign jurisdictions. The values of all reclaims are not significant for any of the funds and are reflected in Other Assets on the Statements of Assets and Liabilities. These receivables are reviewed to ensure the current receivable balance is reflective of the amount deemed to be collectable.

Notes to Financial Statements

8. SECURITIES LENDING

Several Ultra Funds had been previously authorized to engage in securities lending, although they have not done so since the financial crisis. The Ultra Funds' board has recently re-authorized the funds to engage in securities lending with State Street Bank and Trust Company as securities lending agent pursuant to a Securities Lending Authorization Agreement (the "Agreement") and subject to certain securities lending policies and procedures. Under the terms of the Agreement, and subject to the policies and procedures, the authorized funds may lend portfolio securities to qualified borrowers in order to generate additional income, while managing risk associated with the securities lending program. The Agreement requires that loans are collateralized at all times by cash or U.S. government securities, initially equal to at least 102% of the value of the securities. The loaned securities and collateral are marked to market daily to maintain collateral at 102% of the total loaned portfolio. Amounts earned as interest on investments of cash collateral, net of rebates and fees, if any, are included in the Statement of Operations. The primary risk associated with securities lending is if the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, the fund could experience delays and costs in recovering securities loaned or in gaining access to the collateral. Under the Agreement, the securities lending agent has provided a limited indemnification in the event of a borrower default.

The funds did not engage in any securities lending activities during the year ended December 31, 2017. It is expected that the funds, other than Target Retirement Funds, whose information is presented in a different book, may re-engage in securities lending activity in the fiscal first quarter of 2018.

9. FEDERAL INCOME TAX INFORMATION

It is each fund's policy to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute all its taxable income to its shareholders. Accordingly, no provisions for federal income taxes are recorded in the accompanying statements.

The funds have not recorded any liabilities for material unrecognized tax benefits as of December 31, 2017. It is each fund's policy to recognize accrued interest and penalties related to uncertain tax benefits in income taxes, as appropriate. Tax years that remain open to examination by major tax jurisdictions include tax years ended December 31, 2014 through December 31, 2017.

The tax character of distributions paid during the years ended December 31, 2017 and 2016 was as follows:

Fund	Ordinary Income		Long-Term Capital Gain	
	2017	2016	2017	2016
Conservative Allocation	\$4,546,610	\$2,911,765	\$2,460,150	\$2,331,768
Moderate Allocation	7,709,142	4,957,279	9,699,920	6,661,449
Aggressive Allocation	2,844,088	1,617,238	4,180,143	1,535,086
Core Bond	4,809,361	5,535,316	—	—
High Income	1,276,614	1,385,177	—	—
Diversified Income	6,253,492	8,407,075	11,268,342	18,661,429
Large Cap Value	8,346,432	15,107,501	18,552,627	32,231,840
Large Cap Growth	2,512,025	2,743,783	30,308,312	13,754,022
Mid Cap	295,753	537,825	18,952,962	19,374,961
International Stock	473,708	697,158	—	—

As of December 31, 2017, the components of distributable earnings on a tax basis were as follows:

Notes to Financial Statements

<u>Fund</u>	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Fund</u>	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>
Conservative Allocation	\$146,313	\$ —	Diversified Income	\$141,614	\$ 932,688
Moderate Allocation	133,803	519,974	Large Cap Value	106,683	1,350,427
Aggressive Allocation	57,394	209,133	Large Cap Growth	43,238	2,644,523
Core Bond	89,395	—	Mid Cap	2,604	382,927
High Income	24,534	—	International Stock	13,447	—

For federal income tax purposes, the funds listed below have capital loss carryforwards as of December 31, 2017, which are available to offset future capital gains, if any, realized through the fiscal year listed:

<u>Fund</u>	<u>2018</u>	<u>No Expiration Date Short-Term</u>	<u>No Expiration Date Long-Term</u>
Core Bond	\$ 346,309	\$ 36,915	\$ —
International Stock	1,312,565	865,856	5,274,010

The capital loss carryovers for the International Stock Fund is subject to certain limitations upon availability, to offset future gains, pursuant to Section 382 of the Internal Revenue Code.

The Core Bond, High Income and International Stock Funds had capital loss carryovers expire unused in the current year in the amounts of \$2,357,684, \$4,592,774 and \$1,312,565, respectively.

Certain losses incurred after October 31 and within the taxable year are deemed to arise on the first day of the funds' next taxable year, if the funds so elect. For 2017, the High Income Fund had a post-October net capital loss of \$1,666,046, which is being deferred for tax purposes. No other funds are deferring post-October losses.

For the year ended December 31, 2017, the High Income and International Stock Funds utilized \$283,944 and \$227,718, respectively, in prior year capital losses. No other fund utilized losses.

At December 31, 2017, the aggregate gross unrealized appreciation (depreciation) and net unrealized appreciation (depreciation) for all securities as computed on a federal income tax basis for each fund were as follows:

<u>Fund</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Net</u>
Conservative Allocation	\$ 10,605,881	\$ 150,465	\$ 10,455,416
Moderate Allocation	31,076,263	53,931	31,022,332
Aggressive Allocation	14,674,615	128,992	14,545,623
Core Bond	5,634,758	988,231	4,646,527
High Income	817,334	117,997	699,337
Diversified Income	65,974,482	1,494,972	64,479,510
Large Cap Value	73,845,255	168,114	73,677,141
Large Cap Growth	103,557,857	1,718,370	101,839,487
Mid Cap	83,987,745	2,317,694	81,670,051
International Stock	5,830,827	596,292	5,234,535

Reclassification Adjustments: Paid-in capital, undistributed net investment income, and accumulated net realized gain (loss) have been adjusted in the Statements of Assets and Liabilities for permanent book-tax differences for all funds.

Notes to Financial Statements

Differences primarily relate to the tax treatment of net operating losses, paydown gains and losses, foreign currency gains and losses, return of capital and other distributions from real estate investment trusts and non-REITs, securities adjustments related to Treasury Inflation Protected securities (TIPS), distribution re-designations from investments in other regulated investment companies and unusable capital carry loss carryforwards.

To the extent these book and tax differences are permanent in nature, such amounts are reclassified at the end of the fiscal year among paid-in capital in excess of par value, accumulated undistributed net investment income (loss) and accumulated net realized gain (loss) on investments and foreign currency translations. Accordingly, at December 31, 2017, reclassifications were recorded as follows:

<u>Fund</u>	<u>Paid-in Capital</u>	<u>Accumulated Undistributed Net Investment Income (Loss)</u>	<u>Accumulated Net Realized Gain (Loss)</u>
Conservative Allocation	\$ —	\$ 145,607	\$ (145,607)
Moderate Allocation	—	204,039	(204,039)
Aggressive Allocation	—	67,318	(67,318)
Core Bond	(2,357,684)	427,297	1,930,387
High Income	(4,592,774)	4,592,774	—
Diversified Income	—	241,036	(241,036)
Large Cap Value	—	(7,598)	7,598
Large Cap Growth	—	—	—
Mid Cap	—	163,928	(163,928)
International Stock	(1,312,565)	(7,857)	1,320,422

10. CONCENTRATION OF RISKS

Investing in certain financial instruments, including forward foreign currency contracts, involves certain risks. Risks associated with these instruments include potential for an illiquid secondary market for the instruments or inability of counterparties to perform under the terms of the contracts, changes in the value of foreign currency relative to the U.S. dollar and volatility resulting from an imperfect correlation between the movements in the prices of the instruments and the prices of the underlying securities and interest rates being hedged. The International Stock Fund may enter into these contracts primarily to protect the fund from adverse currency movements.

Investing in foreign securities involves certain risks not necessarily found in U.S. markets. These include risks associated with adverse changes in economic, political, regulatory and other conditions, changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments or capital gains, and possible difficulty in obtaining and enforcing judgments against foreign entities. Further, issuers of foreign securities are subject to different, and often less comprehensive, accounting, reporting and disclosure requirements than domestic issuers.

The Core Bond Fund is subject to derivatives risk. The risk that loss may result from investments in options, forwards, futures, swaps and other derivatives instruments. These instruments may be illiquid, difficult to price and leveraged so that small changes in the value of the underlying instruments may produce disproportionate losses to the fund. Derivatives are also subject to counterparty risk, which is the risk that the other party to the transaction will not fulfill its contractual obligations.

Notes to Financial Statements

The High Income Fund invests in securities offering high current income which generally will include bonds in the below investment grade categories of recognized rating agencies (so-called “junk bonds”). These securities generally involve more credit risk than securities in the higher rating categories. In addition, the trading market for high yield securities may be relatively less liquid than the market for higher-rated securities. The fund generally invests at least 80% of its net assets in high yield securities.

The Target Allocation Funds are fund of funds, meaning that each invests primarily in Underlying Funds, including ETFs. Thus, each fund's investment performance and its ability to achieve its investment goal are directly related to the performance of the Underlying Funds in which it invests; and the Underlying Fund's performance, in turn, depends on the particular securities in which that Underlying Fund invests and the expenses of that fund. Accordingly, the Allocation Funds are subject to the risks of the Underlying Funds in direct proportion to the allocation of their respective assets among the Underlying Funds.

Additionally, the Target Allocation Funds are subject to asset allocation risk and manager risk. Manager risk (i.e., fund selection risk) is the risk that the Underlying Fund(s) selected to fulfill a particular asset class underperforms their peers. Asset allocation risk is the risk that the allocation of the fund's assets among the various asset classes and market segments will cause the fund to underperform other funds with a similar investment objective.

The funds may be subject to interest rate risk which is the risk that the value of your investment will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the market value of income-bearing securities. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to risk. Federal Reserve policy changes may expose fixed-income and related markets to heightened volatility and may reduce liquidity for certain fund investments, which could cause the value of a fund's investments and share price to decline. The Core Bond may invest in derivatives tied to fixed-income markets and may be more substantially exposed to these risks than a fund that does not invest in derivatives.

The funds are also subject to cybersecurity risk, which include the risks associated with computer systems, networks and devices to carry out routine business operations. These systems, networks and devices employ a variety of protections that are designed to prevent cyberattacks. Despite the various cyber protections utilized by the funds, the Investment Adviser, and other service providers, their systems, networks, or devices could potentially be breached. The funds, their shareholders, and the Investment Adviser could be negatively impacted as a result of a cybersecurity breach. The funds cannot control the cybersecurity plans and systems put in place by service providers or any other third parties whose operations may affect the funds. The funds do monitor this risk closely.

In addition to the other risks described above and in the prospectus, you should understand what we refer to as “unknown market risks.” While investments in securities have been keystones in wealth building and management, at times these investments have produced surprises. Those who enjoyed growth and income of their investments generally were rewarded for the risks they took by investing in the markets. Although the Investment Adviser seeks to appropriately address and manage the risks identified and disclosed to you in connection with the management of the securities in the funds, you should understand that the very nature of the securities markets includes the possibility that there may be additional risks of which we are not aware. We certainly seek to identify all applicable risks and then appropriately address them, take appropriate action to reasonably manage them and to make you aware of them so you can determine if they exceed your risk tolerance. Nevertheless, the often volatile nature of the securities markets and the global economy in which we work suggests that the risk of the unknown is something to consider in connection with an investment in securities. Unforeseen events could under certain circumstances produce a material loss of the value of some or all of the securities we manage for you in the funds.

Notes to Financial Statements

11. CAPITAL SHARES AND AFFILIATED OWNERSHIP

All capital shares outstanding at December 31, 2017, are owned by separate investment accounts and/or pension plans of CMFG Life Insurance Company.

The Target Allocation Funds invest in Underlying Funds, such as the Madison Funds, which may be deemed to be under common control because of the same or affiliated investment adviser and membership in a common family of investment companies (the "Affiliated Underlying Funds"). Madison Funds' historical financial information is available to you at no cost on the Securities and Exchange Commission's website at www.sec.gov, by calling 1-800-877-6089 or by visiting the Madison Funds' website at www.madisonfunds.com. A summary of the transactions with each Affiliated Underlying Fund during the year ended December 31, 2017 follows:

<u>Fund/Underlying Fund</u>	<u>Beginning Value as of 12/31/16</u>	<u>Gross Additions</u>	<u>Gross Sales</u>	<u>Realized Gain (Loss)</u>	<u>Change in Unrealized Appreciation (depreciation)</u>	<u>Value at 12/31/17</u>	<u>Shares</u>	<u>Dividend Income</u>	<u>Capital Gains Distributions Received</u>
Conservative Allocation Fund									
Madison Core Bond Fund Class Y	\$ 36,828,176	\$ —	\$ (3,450,841)	\$ (67,444)	\$ 330,506	\$ 33,640,397	3,370,781	\$872,048	\$ 10,790
Madison Corporate Bond Fund Class Y	11,583,199	—	(1,505,240)	37,991	144,921	10,260,871	886,851	310,724	83,473
Madison Dividend Income Fund Class Y	12,333,613	412,039	(3,534,825)	283,135	1,209,386	10,703,348	400,874	179,972	232,067
Madison Investors Fund Class Y	10,129,559	595,349	(1,551,020)	100,309	1,387,882	10,662,079	466,612	41,822	553,527
Madison Large Cap Value Fund Class Y	671,060	—	(681,454)	(488)	10,882	—	—	—	—
Madison Mid Cap Fund Class Y	<u>4,139,040</u>	<u>81,714</u>	<u>(2,193,815)</u>	<u>297,935</u>	<u>40,691</u>	<u>2,365,565</u>	<u>239,672</u>	<u>—</u>	<u>81,714</u>
Totals	\$ 75,684,647	\$1,089,102	\$ (12,917,195)	\$ 651,438	\$3,124,268	\$ 67,632,260		\$1,404,566	\$ 961,571

Moderate Allocation Fund

Madison Core Bond Fund Class Y	\$45,087,981	\$ —	\$ (2,798,247)	\$ (72,728)	\$ 381,700	\$ 42,598,706	4,268,407	\$1,089,118	\$ 13,664
Madison Corporate Bond Fund Class Y	5,476,135	—	(501,747)	(3,453)	91,389	5,062,324	437,539	151,489	41,183
Madison Dividend Income Fund Class Y	28,295,800	1,115,719	(4,478,895)	344,661	3,589,466	28,866,751	1,081,152	489,839	625,879
Madison Investors Fund Class Y	28,811,272	1,605,332	(5,753,914)	416,720	3,670,440	28,749,850	1,258,199	112,770	1,492,562
Madison Large Cap Value Fund Class Y	10,782,276	788,366	(4,247,170)	(23,357)	457,124	7,757,239	530,228	148,905	639,461
Madison Mid Cap Fund Class Y	<u>10,663,405</u>	<u>167,532</u>	<u>(6,863,430)</u>	<u>1,013,658</u>	<u>(131,217)</u>	<u>4,849,948</u>	<u>491,383</u>	<u>—</u>	<u>167,532</u>
Totals	\$129,116,869	\$3,676,949	\$ (24,643,403)	\$1,675,501	\$8,058,902	\$117,884,818		\$1,992,121	\$2,980,281

Notes to Financial Statements

Fund/Underlying Fund	Beginning Value as of 12/31/16	Gross Additions	Gross Sales	Realized Gain (Loss)	Change in Unrealized Appreciation (depreciation)	Value at 12/31/17	Shares	Dividend Income	Capital Gains Distributions Received
Aggressive Allocation Fund									
Madison Core Bond Fund Class Y	\$ 8,731,473	\$ 550,000	\$ (949,749)	\$ (26,690)	\$ 88,176	\$ 8,393,210	841,003	\$ 215,742	\$ 2,692
Madison Dividend Income Fund Class Y	11,654,618	450,663	(2,153,314)	182,190	1,419,721	11,553,878	432,730	200,156	250,507
Madison Investors Fund Class Y	11,533,445	641,588	(2,351,233)	172,099	1,494,283	11,490,182	502,853	45,070	596,518
Madison Large Cap Value Fund Class Y	4,671,810	432,864	(1,052,144)	13,421	193,279	4,259,230	291,130	81,758	351,106
Madison Mid Cap Fund Class Y	<u>5,230,517</u>	<u>146,123</u>	<u>(1,652,777)</u>	<u>221,426</u>	<u>284,870</u>	<u>4,230,159</u>	428,588	—	<u>146,123</u>
Totals	\$ 41,821,863	\$ 2,221,238	\$ (8,159,217)	\$ 562,446	\$ 3,480,329	\$ 39,926,659		\$ 542,726	\$ 1,346,946

12. SUBSEQUENT EVENTS

All Matters

Management has evaluated the impact of all subsequent events on the funds through the date the financial statements were available for issue. No other events have taken place that meet the definition of subsequent event that require adjustment to, or disclosure, in the financial statements.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of Ultra Series Fund:

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities including the portfolios of investments of Conservative Allocation Fund, Moderate Allocation Fund, Aggressive Allocation Fund, Core Bond Fund, High Income Fund, Diversified Income Fund, Large Cap Value Fund, Large Cap Growth Fund, Mid Cap Fund, and International Stock Fund, (collectively, the “funds”), ten of fourteen portfolios constituting Ultra Series Fund (the “Trust”), as of December 31, 2017, the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of each of the respective portfolios of the Trust as of December 31, 2017, and the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Trust’s management. Our responsibility is to express an opinion on the Trust’s financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of December 31, 2017, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche, LLP

Chicago, IL

February 22, 2018

We have served as the auditor of one or more affiliated investment companies of Ultra Series Fund since 2009.

Other Information (unaudited)

DISCUSSION OF CONTRACT RENEWAL PROCESS AND CONSIDERATIONS

At an in-person meeting of the Board held in July 2017, the Board of Trustees (the “Board” or “Trustees”) of Ultra Series Fund (the “Trust”), and by a separate vote, the Independent Trustees of the Trust, approved the continuance of the Investment Advisory Agreement (the “Agreement”) between the Trust and Madison Asset Management, LLC (the “Adviser”) with respect to the individual series of the Trust (each a “fund” and together, the “funds”) and the continuance of the Investment Sub-Advisory Agreement between the Adviser and Lazard Asset Management LLC (the “Subadviser”) with respect to International Stock Fund.

In determining whether to approve the continuation of the Investment Advisory Agreement and the Investment Sub-Advisory Agreement, the Adviser and Subadviser furnished information necessary for a majority of the Independent Trustees to make the determination that the continuance of the Agreements was in the best interests of the respective funds and their shareholders. The information provided to the Board included: (1) data comparing advisory fees and expense ratios of comparable investment companies; (2) comparative performance information; (3) the Adviser’s and its affiliates’ revenues and costs of providing services to the funds; and (4) information about the Adviser’s and Subadviser’s personnel. Prior to voting, the Independent Trustees reviewed the proposed continuance of the Investment Advisory Agreement and the Investment Sub-Advisory Agreement with management and independent legal counsel to the Independent Trustees and received materials from such counsel discussing the legal standards for their consideration of the proposed continuation of the Agreements. The Independent Trustees also reviewed the proposed continuation of the Investment Advisory Agreement and Investment Sub-Advisory Agreement with independent legal counsel in a private session at which no representatives of management were present. The Independent Trustees made a variety of additional inquiries regarding the written materials provided by the Adviser and the Subadviser, and representatives of the Adviser discussed with the Independent Trustees each of those additional inquiries at the July 2017 meeting.

In approving the continuance of the Investment Advisory Agreement and the Investment Sub-Advisory Agreement, the Board considered various factors, among them: (1) the nature, extent and quality of services provided by the Adviser and Subadviser to the funds, including the personnel providing such services; (2) the Adviser’s and Subadviser’s compensation and profitability; (3) a comparison of fees and performance with comparable funds and accounts; (4) economies of scale; and (5) the terms of the Investment Advisory Agreement and the Investment Sub-Advisory Agreement. The Board’s analysis of these factors is set forth below. The Independent Trustees were advised by independent legal counsel throughout the process.

Nature, Extent and Quality of Services. The Board reviewed a variety of materials provided by the Adviser and Subadviser in connection with the Board’s consideration of the renewal of the Trust’s Investment Advisory Agreement with the Adviser and the Investment Sub-Advisory Agreement with the Subadviser. The Board reviewed and considered a variety of fund specific information for each fund.

The Board reviewed the biographies and tenure of the personnel involved in Trust management and the experience of the Adviser (and Subadviser) and its affiliates as investment manager to other investment companies with similar investment strategies or to individual clients or institutions with similar investment strategies. They recognized the wide array of investment professionals employed by the respective firm or firms. Representatives of the Adviser and each Subadviser discussed or otherwise presented their respective firms’ ongoing investment philosophies and strategies intended to provide investment performance consistent with each fund’s investment objectives in a variety of market environments.

The Board also discussed the various administrative services provided by the Adviser. The Board took into account that these services included arranging for third-party service providers to provide all necessary fund administration as well as ongoing

Other Information (unaudited)

monitoring of the Subadviser. Based on their review of the information provided, the Independent Trustees determined with respect to each fund that the nature, extent and quality of services provided by the Adviser (and Subadviser) to the fund were satisfactory.

Fund Investment Performance. With regard to the investment performance of each fund, the Board reviewed current performance information provided in the written Board materials. They discussed the reasons for both outperformance and underperformance relative to the applicable peer groups, indices and benchmarks. They recognized that the usefulness of comparative performance data as a frame of reference to measure a fund's performance may be limited because the performance peer group, among other things, may not precisely reflect the objectives and strategies of the fund, may have a different investable universe, or the composition of the peer group may be limited in size or number as well as other factors. They discussed the unique aspects of the securities markets applicable to particular funds so that the performance of any such funds could be reviewed in context.

The Trustees reviewed with the Adviser both long-term and short-term performance of each fund and considered the effect on long-term performance that may have been attributable to any previous portfolio managers to any fund or to a different investment strategy. They recognized that the performance data reflects a snapshot in time, in this case as of the end of the most recent calendar year or quarter. They took into account that a different performance period, however, could generate significantly different results. Further, they noted that long-term performance can be adversely affected by even one period of significant underperformance so that a single investment decision or theme has the ability to disproportionately affect long-term performance. The Board also noted that it reviews on a quarterly basis detailed information for each fund, including investment performance results, portfolio composition and investment philosophies, processes and strategies. They also considered whether any relative underperformance was appropriate in view of the Adviser's conservative investment philosophy. The Board discussed the conservative investment philosophy implemented across certain funds and recognized the challenges to achieving relative outperformance given the unprecedented bull market. The Board noted the type of market environments that favor the funds' strategies and discussed the funds' performance in such market environments. The Board performed this review in connection with the Adviser and Subadviser. In connection with the review of the funds' investment performance, the Board also engaged in a comprehensive discussion of market conditions and discussed the reasons for fund performance under such conditions. The equity funds participated reasonably well in a generally strong market environment, especially during the three and five year time periods, and captured less downside during market corrections. The equity funds generally employ strategies that assume lower risk than that of the aggregate market. Regarding the allocation funds, the Board noted the risk adjusted performance of all three allocation funds. With regard to fixed-income funds, the Board considered each fund's relatively conservative investment philosophy and high-quality bias during a period of historically low interest rates and the relative risks to fixed-income funds in the current environment. The Board noted the USF Target Date Funds' three and five year annualized returns and Sharpe ratio rankings. Representatives of the Adviser discussed with the Board the methodology for arriving at peer groups and indices used for performance comparisons. The Board also considered that sometimes the Morningstar categories the funds fall into do not precisely match a fund's investment strategy and philosophy. Based on their review, the Independent Trustees determined that, given the totality of the above factors and considerations, each fund's overall investment performance had been satisfactory.

Costs and Profitability. With regard to the costs of the services to be provided and the profits to be realized by the Adviser and its affiliates from the relationship with the Trust, the Board reviewed the expense ratios for comparable funds in each fund's peer group. The Board reviewed these matters with respect to the Adviser and the Subadviser.

The Board noted that the Adviser or its affiliates, and, as applicable, Subadviser, provided investment management services to other investment company and/or non-investment company clients and considered the fees charged by the Adviser (and

Other Information (unaudited)

Subadviser) to such funds and clients for purposes of determining whether the given advisory fee was disproportionately large under the legal standard traditionally used by investment company boards in connection with contract renewal considerations. The Board took those fees into account and considered the differences in services and time required by the various types of funds and clients to which the Adviser (or Subadviser, if applicable) provided services. The Board recognized that significant differences may exist between the services provided to one type of fund or client and those provided to others, such as those resulting from a greater frequency of shareholder redemptions in a mutual fund and the higher portfolio turnover rates typically experienced by mutual funds. The Board gave such comparisons the weight that they merit in light of the similarities and differences between the services that the various funds require. They considered that, if the services rendered by the Adviser (or Subadviser, if applicable) to one type of fund or client differed significantly from others, then the comparison should be given less weight. In the case of non-investment company clients for which the Adviser (or Subadviser, if applicable) may act as either investment adviser or Subadviser, the Board noted that the fee may be lower than the fee charged to the Trust. The Board also noted the various administrative, operational, compliance, legal and corporate communication services required to be handled by the Adviser (or Subadviser, if applicable) which are performed for investment company clients but are not typically performed for non-investment company clients.

The Trustees compared each fund's total expense ratio and advisory fee to those of comparable funds with similar investment objectives and strategies. The Board noted the simple expense structure maintained by the Trust: (1) an advisory fee and a capped administrative "services" expense for the USF Target Retirement Date Funds, and (2) for the remaining series of the Trust, a unitary fee with limited independent expenses for Trustee compensation and audit fees not covered by the unitary fee ("Unitary Fee"). The Board noted that so long as substantially all of the assets of a USF Target Retirement Date Fund are invested in a corresponding Goldman Sachs Target Retirement Portfolio, no Advisory or Service fee would be payable directly by such fund. The Board reviewed total expense ratios paid by other funds with similar investment strategies, recognizing that such a comparison, while not dispositive, was an important consideration.

The Trustees sought to ensure that fees paid by the funds were appropriate. The Board reviewed materials demonstrating that although the Adviser is compensated for a variety of the administrative services it provides or arranges to provide to the funds pursuant to its administrative services agreement with the Trust ("Services Agreement"), such compensation does not always cover all costs because the Services Agreement effectively acts as a cap on administrative expenses. Therefore, the Board recognized that any administrative, operational, regulatory or compliance fees or costs in excess of the Services Agreement fees, in the case of the USF Target Date Funds, or in excess of the Unitary Fee, in the case of the remaining series, are paid by the Adviser from investment advisory fees earned. In this regard, the Trustees noted that examination of each fund portfolio's total expense ratio compared to those of other investment companies was more meaningful than a simple comparison of basic "investment management only" fee schedules.

The Board recognized that to the extent a fund invests in other mutual funds managed by the Adviser (or its affiliates), the Adviser (or an affiliate) receives investment advisory fees from both the fund and the underlying mutual fund. The Board was satisfied in this regard that the Adviser (or an affiliate) provides separate services to the Trust's "fund of funds" portfolios and the underlying mutual funds in which each such fund invests in exchange for the fees received from them (except as noted above with respect to the USF Target Retirement Date Funds which do not pay any advisory or service fees directly so long as invested in corresponding Goldman Sachs Target Retirement Portfolio).

The Board noted that for some smaller funds, the salaries of all portfolio management personnel, trading desk personnel, corporate accounting personnel and employees of the Adviser who serve as Trust officers, as well as facility costs (e.g., rent, etc.), could not be supported by fees received from such funds alone. However, the Board recognized that the Trust is profitable to the Adviser because such salaries and fixed costs are already paid in whole or in part from revenue generated by

Other Information (unaudited)

management of other client assets managed by the Adviser, including the Trust as one of a consolidated family of investment companies. The Trustees noted that total assets managed by the Adviser and its affiliates of approximately \$16 billion at the time of the meeting. As a result, although the fees paid by an individual fund at its present size might not be sufficient to profitably support a stand-alone fund, the Trust is reasonably profitable to the Adviser as part of its larger, diversified organization. In sum, the Trustees recognized that the Trust is important to the Adviser and is managed with the attention given to the Adviser's other clients.

Based on the foregoing, the Independent Trustees concluded that the level of profitability to the Adviser and its affiliates was reasonable in light of the services provided. In considering the profitability of the Subadviser, the Board noted that the Sub-advisory fees payable under the Investment Sub-Advisory Agreement were paid by the Adviser out of the fees that it receives under the Investment Advisory Agreement and were negotiated by the Adviser at arm's length. As a consequence, the profitability to each Subadviser of its relationship with the applicable fund was not a substantial factor in the Board's deliberations.

Economies of Scale. With regard to the extent to which economies of scale would be realized as each fund's assets increase, the Trustees recognized that at their current asset levels, it was premature to discuss any economies of scale not already factored into the compensation payable under Investment Advisory (Agreement) and Services Agreement. In addition, the Trustees recognized that the Adviser was currently waiving fees (pursuant to its Investment Advisory Agreement, with respect to the Conservative, Moderate and Aggressive Allocation Funds). Further, as noted above with respect to the USF Target Retirement Date Funds, so long as such funds invest substantially all of their assets in the corresponding Goldman Sachs Target Retirement Portfolio, no advisory or service fee shall be payable directly by those funds. Based on their review, the Independent Trustees concluded that the fee arrangements and waivers (as applicable) were acceptable. Because the Adviser pays the Subadviser's sub-advisory fees and those fees are negotiated at arm's length by the Adviser, the Board did not consider the potential economies of scale in the Subadviser's management of the International Stock Fund to be a material factor in its consideration.

The Board recognized that another method to help ensure the shareholders share in any economies of scale is to include breakpoints in the advisory fee schedules. Based on their review, the Independent Trustees concluded that the current advisory fee schedules and fee arrangements and waivers (as applicable) were appropriate and reflect economies of scale to be shared with shareholders when assets under management increase. In considering the economies of scale experienced by the Subadviser, the Board noted that the sub-advisory fees payable under the Investment Sub-Advisory Agreement were paid by the Adviser out of the fees that it receives under the Investment Advisory Agreement and were negotiated by the Adviser at arm's length. As a consequence, the Board did not consider the potential economies of scale in the Subadviser's management of the International Stock Fund to be a substantial factor in its deliberations, although the Board noted that the sub-advisory fee schedule for the fund managed by Lazard Asset Management contained a breakpoint that would reduce the sub-advisory fee rate on assets above specified levels as the fund's assets increased.

In the course of their review of the contract renewal materials, the Board also reviewed and discussed with counsel the "Rule 12b-1" plans adopted by certain funds. Advisory personnel directed the Board to the written materials regarding these matters during the course of the Board's consideration of the Rule 12b-1 plans. Finally, the Board also reviewed the Trust's distribution agreements and the information provided in the written materials regarding the distributor.

Conclusions. In considering the renewal of the funds' Investment Advisory Agreement with the Adviser, the Board, including the Independent Trustees, did not identify any single factor as controlling, and each Trustee may have attributed different weights to the various factors. The Trustees evaluated all information available to them on a fund-by-fund basis, and their

Other Information (unaudited)

determinations were made separately with respect to each fund. The Board reached the following conclusions regarding each fund's Investment Advisory Agreement, among others: (a) the Adviser demonstrated that it possesses the capability and resources to perform the duties required of it under the Investment Advisory Agreement; (b) the Adviser is qualified to manage the fund's assets in accordance with the fund's investment objective and strategies; (c) the overall investment performance of the fund is satisfactory relative to the performance of funds with similar investment objectives and relevant indices and benchmarks; (d) the fund's advisory fee is reasonable in light of the services received by the fund from the Adviser and other factors considered; and (e) the Adviser's investment strategies are appropriate for pursuing the investment objectives of the fund. Based on the foregoing conclusions, the Trustees determined with respect to each fund that continuation of the Investment Advisory Agreement with the Adviser was in the best interests of the fund and its shareholders.

In considering the renewal of the Investment Sub-Advisory Agreement with respect to the Subadviser, the Board, including the Independent Trustees, did not identify any single factor as controlling, and each Trustee may have attributed different weights to the various factors. The Board reached the following conclusions regarding the International Stock Fund's Investment Sub-Advisory Agreement, among others: (a) the Subadviser demonstrated that it possesses the capability and resources to perform the duties required of it under the Agreement; (b) the Subadviser is qualified to manage the fund's assets in accordance with the fund's investment objectives and policies; (c) the overall investment performance of the fund is satisfactory relative to the performance of funds with similar investment objectives and relevant indices and benchmarks; (d) the fund's sub-advisory fee is reasonable in light of the services received by the fund from the Subadviser; and (e) the Subadviser's investment strategies are appropriate for pursuing the investment objectives of the fund. Based on the foregoing conclusions, the Board determined that approval of the International Stock Fund's Investment Sub-Advisory Agreement with the Subadviser was in the best interests of the fund and its shareholders.

Other Information (unaudited)

FUND EXPENSES PAID BY SHAREHOLDERS

As a shareholder of the funds, you pay no transaction costs, but do incur ongoing costs which include management fees; 12b-1 fees (Class II only); disinterested trustee fees and expenses; brokerage commissions and other expenses incurred in connection with the acquisition or disposition of investments; costs of borrowing money; expenses for independent audits, taxes, and extraordinary expenses as approved by a majority of the disinterested trustees. The examples in the table that follows are intended to help you understand your ongoing costs (in dollars) of investing in the funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The examples below are based on an investment of \$1,000 invested for the six-month period ended December 31, 2017. Expenses paid during the period in the table below are equal to each fund’s annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half fiscal year period).

Actual Expenses

The table below provides information about actual account values using actual expenses and actual returns for the funds. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table for the fund you own under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Fund	CLASS I				CLASS II		
	Beginning Account Value	Ending Account Value	Annual Expense Ratio	Expenses Paid During Period	Ending Account Value	Annual Expense Ratio	Expenses Paid During Period
Conservative Allocation*	\$1,000	\$1,047.30	0.22%	\$1.19	\$1,046.00	0.47%	\$2.48
Moderate Allocation*	1,000	1070.70	0.22%	1.20	1069.40	0.47%	2.50
Aggressive Allocation*	1,000	1089.10	0.22%	1.21	1087.70	0.47%	2.53
Core Bond	1,000	1010.30	0.57%	2.94	1009.00	0.82%	4.20
High Income	1,000	1019.50	0.77%	3.97	1018.20	1.02%	5.24
Diversified Income	1,000	1077.70	0.72%	3.82	1076.30	0.97%	5.13
Large Cap Value	1,000	1111.10	0.62%	3.35	1109.70	0.87%	4.68
Large Cap Growth	1,000	1101.80	0.82%	4.40	1100.40	1.07%	5.66
Mid Cap	1,000	1097.60	0.92%	4.92	1096.20	1.17%	6.18
International Stock	1,000	1095.90	1.17%	6.23	1094.50	1.42%	7.55

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the funds’ actual expense ratios and an assumed rate of return of 5% per year before expenses, which are not the funds’ actual returns. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the funds and other funds. To do so, compare the 5% hypothetical example of the funds you own with the 5% hypothetical examples that appear in the shareholder reports of other similar funds.

Other Information (unaudited)

Fund	CLASS I				CLASS II		
	Beginning Account Value	Ending Account Value	Annual Expense Ratio	Expenses Paid During Period	Ending Account Value	Annual Expense Ratio	Expenses Paid During Period
Conservative Allocation*	\$1,000	\$1,024.05	0.22%	\$1.17	\$1,022.79	0.47%	\$2.45
Moderate Allocation*	1,000	1024.05	0.22%	1.17	1022.79	0.47%	2.45
Aggressive Allocation*	1,000	1024.05	0.22%	1.17	1022.79	0.47%	2.45
Core Bond	1,000	1022.28	0.57%	2.96	1021.02	0.82%	4.23
High Income	1,000	1021.27	0.77%	3.97	1020.01	1.02%	5.24
Diversified Income	1,000	1021.53	0.72%	3.72	1020.27	0.97%	4.99
Large Cap Value	1,000	1022.03	0.62%	3.21	1020.77	0.87%	4.48
Large Cap Growth	1,000	1021.02	0.82%	4.23	1019.81	1.07%	5.45
Mid Cap	1,000	1020.52	0.92%	4.74	1019.31	1.17%	5.96
International Stock	1,000	1019.26	1.17%	6.01	1018.00	1.42%	7.27

*The annual expense ratio does not include the expenses of the Underlying Funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any separate account fees, charges, or expenses imposed by the variable annuity or variable life insurance contracts, or retirement and pension plans that use the funds. The information provided in the hypothetical example table is useful in comparing ongoing fund costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these fees, charges or expenses were included, your costs would have been higher.

AVAILABILITY OF QUARTERLY PORTFOLIO SCHEDULES

The Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available to shareholders at no cost by calling 1-800-877-6089, or on the SEC's website at www.sec.gov. Form N-Q may also be reviewed and copied at the Commission's Public Reference Room in Washington, DC. More information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Form N-Q and other information about the Trust are available on the EDGAR database on the SEC's Internet site at www.sec.gov. Copies of this information may also be obtained, upon payment of a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, DC 20549-0102.

PROXY VOTING POLICIES, PROCEDURES AND RECORDS

A description of the policies and procedures used by the Trust to vote proxies related to portfolio securities is available to shareholders at no cost by calling 1-800-877-6089, or on the SEC's website at www.sec.gov and is also located in the funds' Statement of Additional Information. The proxy voting records for the Trust for the most recent twelve-month period ended June 30 are available to shareholders at no cost on the SEC's website at www.sec.gov.

FORWARD-LOOKING STATEMENT DISCLOSURE

One of our most important responsibilities as investment company managers is to communicate with shareholders in an open and direct manner. Some of our comments in the Period in Review are based on current management expectations and are considered "forward-looking statements." Actual future results, however, may prove to be different from our expectations. You can identify forward-looking statements by words such as "estimate," "may," "will," "expect," "believe," "plan" and other similar terms. We cannot promise future returns. Our opinions are a reflection of our best judgment at the time this report is compiled, and we disclaim any obligation to update or after forward-looking statements as a result of new information, future events, or otherwise.

Other Information (unaudited)

TAX INFORMATION

Foreign Tax Credit: The International Stock Fund expects to make an election under Internal Revenue Code Section 853 to pass through foreign taxes paid by the funds to their shareholders. For the year ended December 31, 2017 the total amount of foreign taxes that is expected to pass through to shareholders and foreign source income for reporting purposes will be \$95,364(all of which represent taxes withheld) and \$1,097,424, respectively

Corporate Dividends Received Deduction: For the taxable year ended December 31, 2017, the following percentage of income dividends paid by the fund qualify for the dividends received deduction available to corporations:

<u>Fund</u>	<u>Percentage</u>	<u>Fund</u>	<u>Percentage</u>
Conservative Allocation	6.17%	Large Cap Value	95.62%
Moderate Allocation	11.12%	Large Cap Growth	100.00%
Aggressive Allocation	13.28%	Mid Cap	100.00%
Diversified Income	60.42%		

Ultra Series Fund's Trustees and Officers

The address of each Trustee and officer is 550 Science Drive, Madison, Wisconsin 53711. The Statement of Additional Information, which includes additional information about the Trustees and officers, is available upon request at no cost on the SEC's website at www.sec.gov or by calling CMFG Life Insurance Company at 1-800-798-5500.

Interested Trustees and Officers

Name and Year of Birth	Position(s) and Length of Time Served	Principal Occupation(s) During Past Five Years	Portfolios Overseen in Fund Complex by Director/Trustee ¹	Other Directorships Held by Director/Trustee
Katherine L. Frank ² 1960	Trustee and President, 2009 - Present	Madison Investment Holdings, Inc. ("MIH") (affiliated investment advisory firm of Madison), Executive Committee Member and Chief Operating Officer, 2010 - Present; Managing Director and Vice President, 1986 - 2010 Madison Asset Management, LLC ("Madison"), Executive Committee Member and Chief Operating Officer, 2010 - Present; Vice President, 2004 - 2010 Madison Investment Advisors, LLC ("MIA") (affiliated investment advisory firm of Madison), Executive Committee Member and Chief Operating Officer, 2010 - Present; President, 1996 - 2010 Madison Funds (18) (mutual funds), President, 2009 - Present Madison Strategic Sector Premium Fund (closed end fund), President, 2005 - Present; Madison Covered Call & Equity Strategy Fund (closed end fund), President, 2012 - Present	32	Madison Funds (18), 2009 - Present Madison Strategic Sector Premium Fund, 2005 - 2017
Jay R. Sekelsky 1959	Vice President, 2009 - December 2017*	MIH, Executive Committee Member and Chief Investment Officer, 2010 - Present; Managing Director and Vice President, 1990 - 2010 Madison, Executive Committee Member and Chief Investment Officer, 2010 - Present MIA, Executive Committee Member and Chief Investment Officer, 2010 - Present; Vice President, 1996 - 2010 Madison Strategic Sector Premium Fund, Vice President, 2005 - December 2017; Madison Covered Call & Equity Strategy Fund, Vice President, 2012 - December 2017; Madison Funds (18), Vice President, 2009 - December 2017	N/A	N/A

¹ As of the date of this report, the fund complex consists of Madison Funds with 18 portfolios, the Ultra Series Fund with 14 portfolios, the Madison Strategic Sector Premium Fund (a closed-end fund) and the Madison Covered Call & Equity Strategy Fund (closed end fund), for a grand total of 34 separate portfolios in the fund complex. Not every Trustee is a member of the Board of Trustees of every fund in the fund complex, as noted above. References to the "Fund Complex" in the following tables have the meaning disclosed in this paragraph.

² "Interested person" as defined in the 1940 Act. Considered an interested Trustee because of the position held with the investment adviser of Madison Funds.

*Effective as of December 31, 2017, Mr. Sekeleky resigned as an officer of the fund.

Ultra Series Fund's Trustees and Officers

Name and Year of Birth	Position(s) and Length of Time Served	Principal Occupation(s) During Past Five Years	Portfolios Overseen in Fund Complex by Director/Trustee ¹	Other Directorships Held by Director/Trustee
Paul A. Lefurgey 1964	Vice President, 2009 - Present	MIH, Madison and MIA, CEO, 2017 - Present; Chairman - Executive Committee, 2015 - 2017; Director of Fixed Income Investments, 2016 - Present; Executive Director and Head of Fixed Income Investments, 2013 - 2016; Managing Director and Head of Fixed Income Investments, 2005 - 2013 Madison Strategic Sector Premium Fund, Vice President, 2010 - Present; Madison Covered Call & Equity Strategy Fund, Vice President, 2012 - Present; Madison Funds (18), Vice President, 2009 - Present	N/A	N/A
Greg D. Hoppe 1969	Treasurer, 2009 - Present	MIH and MIA, Vice President, 1999 - Present; Madison, Vice President, 2009 - Present Madison Strategic Sector Premium Fund, Treasurer, 2009 - Present; Chief Financial Officer, 2005 - 2009; Madison Covered Call & Equity Strategy Fund, Vice President, 2012 - Present; Madison Funds (18), Treasurer, 2009 - Present	N/A	N/A
Holly S. Baggot 1960	Secretary, 1999 - Present Assistant Treasurer, 1999 - 2007; 2009 - Present Treasurer, 2008	MIH and MIA, Vice President, 2010 - Present; Madison, Vice President, 2009 - Present; MFD Distributor, LLC ("MFD") (an affiliated brokerage firm of Madison), Vice President, 2012 - Present Madison Strategic Sector Premium Fund, Secretary and Assistant Treasurer, 2010 - Present; Madison Covered Call & Equity Strategy Fund, Secretary and Assistant Treasurer, 2012 - Present; Madison Funds (18), Secretary, 1999-Present and Treasurer, 2008-2009 and Assistant Treasurer, 1997-2007 and 2009 - Present	N/A	N/A

¹ As of the date of this report, the fund complex consists of Madison Funds with 18 portfolios, the Ultra Series Fund with 14 portfolios, the Madison Strategic Sector Premium Fund (a closed-end fund) and the Madison Covered Call & Equity Strategy Fund (closed end fund), for a grand total of 34 separate portfolios in the fund complex. Not every Trustee is a member of the Board of Trustees of every fund in the fund complex, as noted above. References to the "Fund Complex" in the following tables have the meaning disclosed in this paragraph.

Ultra Series Fund's Trustees and Officers

Name and Year of Birth	Position(s) and Length of Time Served	Principal Occupation(s) During Past Five Years	Portfolios Overseen in Fund Complex by Director/Trustee ¹	Other Directorships Held by Director/Trustee
Kevin S. Thompson 1966	Chief Legal Officer and Assistant Secretary, 2017 - Present Chief Compliance Officer, January 2018 - Present	MIH, MIA and Madison, Chief Legal Officer and Chief Administrative Officer, 2017 - Present; Chief Compliance Officer, January 2018 - Present Madison Funds (18), Madison Strategic Sector Premium Fund and Madison Covered Call & Equity Strategy Fund, Chief Legal Officer and Assistant Secretary, 2017 - Present; Chief Compliance Officer, January 2018 - Present CFMG Life Insurance Company, Associate General Counsel, 2012 - 2015; Vice President Wealth Management, 2015 - 2017; President of CBSI 2016 - 2017	N/A	N/A
Lisa R. Lange 1969	Chief Compliance Officer and Assistant Secretary, 2015 - January 2018*	MIH, MIA and Madison, Chief Compliance Officer, 2015 - January 2018 and Chief Legal Officer, 2015 - 2017 NorthRoad Capital Management LLC ("NorthRoad") (former affiliated investment advisory firm of Madison), Chief Compliance Officer and Chief Legal Officer April 2015 - September 2016 Madison Funds (18), Madison Strategic Sector Premium Fund and Madison Covered Call & Equity Strategy Fund, Chief Compliance Officer and Assistant Secretary, 2015 - Present and Chief Legal Officer 2015 - 2017 Whyte Hirschboeck Dudek S.C. (law firm), Attorney and Shareholder, 2003 - 2015	N/A	N/A

¹ As of the date of this report, the fund complex consists of Madison Funds with 18 portfolios, the Ultra Series Fund with 14 portfolios, the Madison Strategic Sector Premium Fund (a closed-end fund) and the Madison Covered Call & Equity Strategy Fund (closed end fund), for a grand total of 34 separate portfolios in the fund complex. Not every Trustee is a member of the Board of Trustees of every fund in the fund complex, as noted above. References to the "Fund Complex" in the following tables have the meaning disclosed in this paragraph.

*Effective as of January 19, 2018, Ms. Lange resigned as Chief Compliance Officer of the fund.

Ultra Series Fund's Trustees and Officers

Independent Trustees

Name and Year of Birth	Position(s) and Length of Time Served ¹	Principal Occupation(s) During Past Five Years	Portfolios Overseen in Fund Complex by Director/Trustee ²	Other Directorships Held by Director/Trustee
James R. Imhoff, Jr. 1944	Trustee, 2009 - Present	FirstWeber, Inc. (real estate brokers), Madison, WI, Chief Executive Officer, 1996 - July 2017 and Chairman July 2017 - Present	34	Park Bank, 1978 - Present First Weber, Inc., 2017 - Present Madison Funds (18), 2009 - Present; Madison Strategic Sector Premium Fund, 2005 - Present; Madison Covered Call & Equity Strategy Fund, 2005 - Present
Steven R. Riege 1954	Trustee, 2005 - Present	Ovation Leadership (management consulting), Milwaukee, WI, Owner/President, 2001 - Present Robert W. Baird & Company (financial services), Milwaukee, WI, Senior Vice President-Marketing and Vice President-Human Resources, 1986 - 2001	33	Forward Service Corporation (employment training non-profit), 2010 - Present Lange Bros. Woodworking Co., Inc., 2017 - Present Madison Funds (18), 2005 - Present; Madison Covered Call & Equity Strategy Fund, 2015 - Present; Madison Strategic Sector Premium Fund, 2014 - 2017
Richard E. Struthers 1952	Trustee, 2004 - Present	Clearwater Capital Management (investment advisory firm), Naples, FL, Chair and Chief Executive Officer 1998 - Present Park Nicollet Health Services, Minneapolis, MN, Chairman, Finance and Investment Committee, 2006 - 2012	34	HealthPartners, 2013 - 2016 Madison Funds (18), 2004 - Present; Madison Strategic Sector Premium Fund, 2017 - Present; Madison Covered Call & Equity Strategy Fund, 2017 - Present Park Nicollet Health Services, 2001 - 2012
Carrie J. Thome 1968	Trustee, 2017 - Present	Wisconsin Alumni Research Foundation, Madison, WI, Chief Investment Officer, 2007 - Present	32	Madison Funds (18), May 2017 - Present

¹ Independent Trustees serve in such capacity until the age of 76, unless retirement is waived by unanimous vote of the remaining Trustees on an annual basis.

² As of the date of this report, the fund complex consists of Madison Funds with 18 portfolios, the Ultra Series Fund with 14 portfolios, the Madison Strategic Sector Premium Fund (a closed-end fund) and the Madison Covered Call & Equity Strategy Fund (closed end fund), for a grand total of 34 separate portfolios in the fund complex. Not every Trustee is a member of the Board of Trustees of every fund in the fund complex, as noted above. References to the "Fund Complex" in the preceding tables have the meaning disclosed in this paragraph.

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Annual Report | December 31, 2017

Vanguard Variable Insurance Fund

Money Market Portfolio

Vanguard’s Principles for Investing Success

We want to give you the best chance of investment success. These principles, grounded in Vanguard’s research and experience, can put you on the right path.

- Goals.** Create clear, appropriate investment goals.
- Balance.** Develop a suitable asset allocation using broadly diversified funds.
- Cost.** Minimize cost.
- Discipline.** Maintain perspective and long-term discipline.

A single theme unites these principles: Focus on the things you can control. We believe there is no wiser course for any investor.

Contents

A Message from Vanguard’s Chairman	1
Market Perspective	3
Money Market Portfolio	4

Please note: The opinions expressed in this report are just that—informed opinions. They should not be considered promises or advice. Also, please keep in mind that the information and opinions cover the period through the date on the front of this report. Of course, the risks of investing in your fund are spelled out in the prospectus. See the Glossary for definitions of investment terms used in this report.

About the cover: Nautical images have been part of Vanguard’s rich heritage since its start in 1975. For an incoming ship, a lighthouse offers a beacon and safe path to shore. You can similarly depend on Vanguard to put you first—and light the way—as you strive to meet your financial goals. Our client focus and low costs, stemming from our unique ownership structure, assure that your interests are paramount.

A Message from Vanguard's Chairman



Dear Planholder,

Lately I've been asked a lot about my legacy. And candidly, that phrase bugs me—it isn't my legacy. Vanguard's success is a result of thousands of my colleagues committing to a clear mission: helping investors achieve their financial goals.

The reason the topic has come up is that on December 31, 2017, I officially stepped down as Vanguard's CEO after almost a decade in that role. I'll remain chairman for a period to be determined by the board of directors. Tim Buckley, who was previously Vanguard's president and chief investment officer, was elected CEO. I can't think of a better successor.

I've spent 32 years at Vanguard—almost my entire professional life—and during that time I've had the good fortune of working with smart, principled colleagues from across the world. I've learned from each of them.

In particular, I would like to thank Jack Bogle, our founder, who took a chance on me when I was a young business school graduate, and Jack Brennan, my predecessor as CEO, who constantly challenged me with new roles and responsibilities.

When you're just starting out, there is nothing quite like getting votes of confidence from people you respect.

The short list

A milestone like this naturally brings about some reflection. With that in mind, here's a tally—by no means exhaustive—of the accomplishments that we at Vanguard are proud of:

Low costs. Over the last decade, we cut our average asset-weighted expense ratio by about 50%.¹ This isn't a result of some contrived price war. Since its founding, Vanguard has emphasized the benefits of low-cost investing. As Jack Bogle once said: "The honest steward who charges least, wins most. But not for himself; for those investors who entrust their assets to his care. It is not all that complicated."

Global diversification. Through our thought leadership and investment options, such as our target-date funds, Vanguard has encouraged clients to obtain exposure to international markets.

Global diversification isn't just about helping to control risk—it can also be a way of expanding your set of opportunities and harnessing the potential of all markets.

I've been glad to see more and more clients embracing global diversification. I believe this trend will continue as Vanguard's way of investing takes hold in international markets.

Affordable advice. In the wake of the 2008–2009 Global Financial Crisis, we began working on a new advice model. In 2015, we launched Vanguard Personal Advisor Services®, a hybrid advice offering that delivers value through a combination of a professional advisor and powerful digital technology at a competitive price.

Across the industry, we've seen the cost of providing advice coming down. Traditional advisors are embracing low-cost investments, and that, in turn, helps them

reduce costs for their own clients. This is a trend that all of us at Vanguard would like to see continue.

Great people. I've interacted with hundreds of companies of all sizes and in all industries, and the one quality that sets Vanguard apart from most of them is our emphasis on people. It's a testament to our culture that colleagues spend 15, 20, or, as in my case, more than 30 years of their professional lives here. Investors benefit because we have consistent, experienced fund management teams and a deep bench of talent that ensures that things go smoothly when it's time for a transition.

We've done a great job attracting new talent, too. We made some notable additions to senior management in the last two years, and we're continuously grooming our next generation of leaders.

Ready for what comes next

When I was contemplating coming to work at Vanguard, I sat down with my rowing coach at his home in Philadelphia. Over cheesesteaks, he told me that the most important thing was to work for a company that had the same values I held deeply. He was like a second father to me, so I trusted his judgment at a time when I wasn't so sure about my own. Back then, I never could have anticipated the success Vanguard would have in the coming decades.

I'm no better at predicting the future now. Vanguard has enjoyed significant growth in the last few years, and that presents its own unique set of challenges and opportunities, such as the role we're

¹ Source: Vanguard calculation, based on data from Morningstar, Inc., as of December 31, 2016.

playing in advocating for better corporate governance among companies our funds invest in. And the asset management industry is confronting significant changes brought on by technology, shifting demographics, and new regulations.

Although the future is uncertain, I'm confident that Vanguard is well-prepared to tackle whatever comes its way. And one thing I'm sure of: There are big parts of the world that would be well-served by our way of investing.

It's humbling to think about the impact the work we do at Vanguard has on clients who are trying to raise a family, buy a first home, save for college, or

prepare for retirement. I've always tried to make decisions with investors' best interests in mind. It has been a privilege working with people who hold to that same ideal.

Thank you for entrusting us with your assets.

Sincerely,

A handwritten signature in black ink that reads "F. William McNabb III". The signature is written in a cursive, flowing style with a distinct "F" and "M".

F. William McNabb III
Chairman
January 1, 2018

Market Perspective

U.S. stocks posted record highs as earnings and economy clicked
U.S. stocks generated robust results for the 12 months ended December 31, 2017, powered by rising corporate earnings, investors' willingness to pay more for those earnings, and broad-based global economic expansion. For the ninth straight calendar year, U.S. stocks recorded gains when dividends are factored into returns. The Federal Reserve acknowledged the health of the economy, raising interest rates in December for the third time in 2017.

The broad U.S. stock market reached numerous record highs and finished the year up 21.13%. Stocks also benefited from the passage of tax-reform legislation and the possibility of less government regulation and more fiscal stimulus in the form of infrastructure spending.

Growth stocks widely exceeded their value counterparts, while large-capitalization stocks surpassed small-caps. Nine of the

11 industry sectors advanced. Information technology climbed about 37%, while materials, health care, industrials, and financials also rose more than 20%. Telecommunication services and energy were the only sectors to decline.

International stocks fared even better than their U.S. brethren, returning 27.11%—a result that was enhanced for U.S. investors by the dollar's weakness against a number of foreign currencies. Investors were also attracted to international stocks' relatively inexpensive valuations. Emerging-market stocks led those from the developed markets of Europe and the Pacific region, but gains were notable across the board.

Demand from investors helped boost bond prices
The Fed's three interest rate increases in 2017 didn't dissuade investors, who requested bonds even as stocks continued to surge. Inflation expectations were generally muted, which contributed to lower

yields for longer-dated U.S. Treasuries and thus to higher bond prices. (Bond prices and yields move in opposite directions.) Bonds also drew support from various central banks' accommodative monetary policies.

The broad U.S. bond market returned 3.54% for the period. Investment-grade corporate bonds outperformed Treasuries and mortgage-backed securities. The yield of the benchmark 10-year Treasury note dipped slightly, closing December at 2.41%, from 2.45% a year earlier.

International bonds (as measured by the Bloomberg Barclays Global Aggregate Index ex USD) returned 10.51%. U.S. investors benefited from the dollar's weakening against many currencies. Without this currency impact, international bonds would have trailed U.S. bonds. The Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged) returned 2.57%.

Market Barometer

	Average Annual Total Returns Periods Ended December 31, 2017		
	One Year	Three Years	Five Years
Stocks			
Russell 1000 Index (Large-caps)	21.69%	11.23%	15.71%
Russell 2000 Index (Small-caps)	14.65	9.96	14.12
Russell 3000 Index (Broad U.S. market)	21.13	11.12	15.58
FTSE All-World ex US Index (International)	27.11	8.27	7.19
Bonds			
Bloomberg Barclays U.S. Aggregate Bond Index (Broad taxable market)	3.54%	2.24%	2.10%
Bloomberg Barclays Municipal Bond Index (Broad tax-exempt market)	5.45	2.98	3.02
Citigroup Three-Month U.S. Treasury Bill Index	0.84	0.37	0.23
CPI			
Consumer Price Index	2.11%	1.64%	1.43%

Vanguard® Money Market Portfolio

For the 12 months ended December 31, 2017, Vanguard Money Market Portfolio returned 1.01%. Its performance exceeded the 0.40% average return of its variable insurance money market peers.

As of December 31, the portfolio's 7-day SEC yield was 1.34%, up from 0.70% 12 months earlier. The portfolio maintained a net asset value of \$1 per share during the year, as is expected but not guaranteed.

Please note that the portfolio returns and the yield of Vanguard Variable Insurance Fund Money Market Portfolio are different from those in Vanguard Variable Annuity (and other plans that invest in the portfolio), which take into account insurance-related expenses. Accordingly, given the low-rate environment, it is possible that while the portfolio maintains a \$1 net asset value, the value of shares of the portfolio held indirectly through either Vanguard Variable Annuity or one of the other plans that invest in the portfolio could fall below \$1.

The bond market reacted

Total Returns

	Year Ended December 31, 2017	Ten Years Ended December 31, 2017 Average Annual Return
Vanguard Money Market Portfolio (7-Day SEC Yield: 1.34%)	1.01%	0.58%
Variable Insurance Money Market Funds Average ¹	0.40	0.28
Citigroup Three-Month U.S. Treasury Bill Index	0.84	0.34

The figures shown represent past performance, which is not a guarantee of future results. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.) Note, too, that both investment returns and principal value can fluctuate widely, so an investor's shares, when sold, could be worth more or less than their original cost.

Expense Ratios²

Your Portfolio Compared With Its Peer Group

	Portfolio	Variable Insurance Money Market Funds Average
Money Market Portfolio	0.16%	0.20%

to the Fed's rate increases

The Federal Reserve raised interest rates three times in 2017, pushing the federal funds rate target to 1.25%–1.5%. In October, it also began to reduce its \$4.5 trillion balance sheet. Both actions signaled that the Fed is intent on normalizing monetary policy.

In this environment, yields of short-term Treasury bonds increased and their prices fell. (Bond yields and prices move in opposite directions.) The yield of the 1-year Treasury note ended December at 1.74%, up from 0.81% 12 months earlier, and the 3-year yield ended at 1.97%, up from 1.45%.

Uncertainty over inflation, among other matters, led to the opposite effect on the long end of the yield curve. The 10-year yield ended the period at 2.41%, down from 2.45% 12 months earlier, and the 30-year yield ended at 2.74%, down from 3.07%. Yields of Treasury Inflation-Protected Securities, or TIPS, followed a similar trajectory.

Corporate bonds outperformed Treasuries over the period, and the Bloomberg Barclays U.S. Aggregate Bond Index returned 3.54%.

The portfolio's positioning led to good performance

The portfolio maintained a high-quality orientation and continued to benefit from broad diversification by investing in securities from various issuer types. As of December 31, the largest exposures by issuer type were to commercial paper (37%) and certificates of deposit (26%). These were followed by Treasury bills and bonds (23%), agency debt (8%), and variable-rate demand notes (3%).

The certificates of deposit and commercial paper consisted of U.S. dollar-denominated securities issued by high-quality companies in the United States and abroad. Non-U.S. exposure made up roughly 53% of the portfolio, consisting largely of issues from Canada, Australia, and Sweden.

Despite long-term structural challenges including slowing productivity growth and demographic trends, the U.S. economy is projected to break above its long-term potential growth rate of about 2% in 2018.

Given the current economic backdrop, we believe the Fed will raise rates to at least 2% by the end of 2018. The central bank is likely want to stick to the framework and timetable it has laid out for its balance sheet, barring unexpected economic data or unintended consequences of tapering in the bond market.

1 Derived from data provided by Lipper, a Thomson Reuters Company.
2 The portfolio expense ratio shown is from the prospectus dated September 7, 2017, and represents estimated costs for the current fiscal year. In most, if not all, cases, the expense ratios for funds in the peer group are based on net operating expenses after reimbursement and/or fee waivers by fund sponsors. In contrast, the expense ratio for Vanguard Money Market Portfolio shown in the table above does not reflect expense reductions. For the fiscal year ended December 31, 2017, the portfolio's expense ratio was 0.16%. The peer-group expense ratio is derived from data provided by Lipper, a Thomson Reuters Company, and captures information through year-end 2016.

Results of Proxy Voting

At a special meeting of shareholders on November 15, 2017, fund shareholders approved the following proposals:

Proposal 1—Elect trustees for the fund.*

The individuals listed in the table below were elected as trustees for the fund. All trustees with the exception of Ms. Mulligan, Ms. Raskin, and Mr. Buckley (each of whom already serves as a director of The Vanguard Group, Inc.) served as trustees to the funds prior to the shareholder meeting.

Trustee	For	Withheld	Percentage	
			For	
Mortimer J. Buckley	1,944,141,093	99,613,853	95.1%	
Emerson U. Fullwood	1,941,634,789	102,120,157	95.0%	
Amy Gutmann	1,936,277,120	107,477,826	94.7%	
JoAnn Heffernan Heisen	1,932,975,342	110,779,604	94.6%	
F. Joseph Loughrey	1,942,078,522	101,676,424	95.0%	
Mark Loughridge	1,945,099,950	98,654,996	95.2%	
Scott C. Malpass	1,936,871,738	106,883,208	94.8%	
F. William McNabb III	1,943,389,639	100,365,307	95.1%	
Deanna Mulligan	1,935,898,722	107,856,224	94.7%	
André F. Perold	1,929,764,167	113,990,779	94.4%	
Sarah Bloom Raskin	1,932,581,664	111,173,282	94.6%	
Peter F. Volanakis	1,939,733,490	104,021,455	94.9%	

* Results are for all funds within the same trust.

Proposal 2—Approve a manager-of-managers arrangement with third-party investment advisors.

This arrangement enables the fund to enter into and materially amend investment advisory arrangements with third-party investment advisors, subject to the approval of the fund's board of trustees and certain conditions imposed by the Securities and Exchange Commission, while avoiding the costs and delays associated with obtaining future shareholder approval.

Vanguard Portfolio	For	Abstain	Against	Broker Non-Votes	Percentage
					For
Money Market Portfolio	808,494,411	55,473,962	83,934,795	0	85.3%

Proposal 3—Approve a manager-of-managers arrangement with wholly owned subsidiaries of Vanguard.

This arrangement enables Vanguard or the fund to enter into and materially amend investment advisory arrangements with wholly owned subsidiaries of Vanguard, subject to the approval of the fund's board of trustees and any conditions imposed by the Securities and Exchange Commission (SEC), while avoiding the costs and delays associated with obtaining future shareholder approval. The ability of the fund to operate in this manner is contingent upon the SEC's approval of a pending application for an order of exemption.

Vanguard Portfolio	For	Abstain	Against	Broker Non-Votes	Percentage
					For
Money Market Portfolio	817,988,253	55,133,075	74,781,840	0	86.3%

Portfolio Profile

As of December 31, 2017

Financial Attributes

Yield ¹	1.34%
Average Weighted Maturity	54 days
Expense Ratio ²	0.16%

Sector Diversification³ (% of portfolio)

Certificates of Deposit	17.5%
U.S. Commercial Paper	3.6
U.S. Government Obligations	9.7
U.S. Treasury Bills	21.8
Yankee/Foreign	47.4

7-Day SEC Yield. A money market portfolio’s 7-day SEC yield is calculated by annualizing its income distributions for the previous seven days, as required by the U.S. Securities and Exchange Commission.

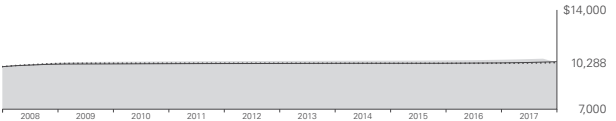
1 7-day SEC yield.
2 The portfolio expense ratio shown is from the prospectus dated September 7, 2017, and represents estimated costs for the current fiscal year. For the fiscal year ended December 31, 2017, the portfolio’s expense ratio was 0.16%.
3 The agency sector may include issues from government-sponsored enterprises; such issues are not backed by the full faith and credit of the U.S. government.

Performance Summary

Investment returns will fluctuate. All of the returns in this report represent past performance, which is not a guarantee of future results that may be achieved by the portfolio. (Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.)

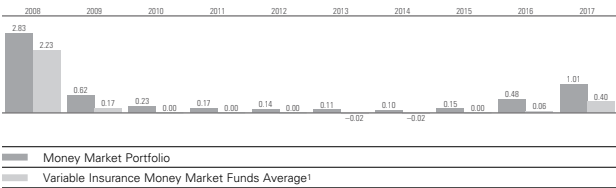
The returns shown do not reflect taxes that a shareholder would pay on portfolio distributions. The portfolio is only available to retail investors (natural persons). You could lose money by investing in the portfolio. Although the portfolio seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The portfolio may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the portfolio's liquidity falls below required minimums because of market conditions or other factors. An investment in the portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The portfolio's sponsor has no legal obligation to provide financial support to the portfolio, and you should not expect that the sponsor will provide financial support to the portfolio at any time. The portfolio's SEC 7-day annualized yield as of December 31, 2017, was 1.34%. This yield reflects the current earnings of the portfolio more closely than do the average annual returns. Note that the returns do not 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 portfolio's returns would be lower.

Cumulative Performance: December 31, 2007–December 31, 2017
Initial Investment of \$10,000



	Average Annual Total Returns Periods Ended December 31, 2017			Final Value of a \$10,000 Investment
	One Year	Five Years	Ten Years	
Money Market Portfolio	1.01%	0.37%	0.58%	\$10,288
Variable Insurance Money Market Funds Average¹	0.40	0.08	0.28	10,284
Citigroup Three-Month U.S. Treasury Bill Index	0.84	0.23	0.34	10,351

Fiscal-Year Total Returns (%): December 31, 2007–December 31, 2017



¹ Derived from data provided by Lipper, a Thomson Reuters Company.
See Financial Highlights for dividend information.

Financial Statements

Statement of Net Assets

As of December 31, 2017

The portfolio reports a complete list of its holdings in various monthly and quarterly regulatory filings. The portfolio publishes its holdings on a monthly basis at vanguard.com and files them with the Securities and Exchange Commission on Form N-MFP. The portfolio's Form N-MFP filings may be viewed at sec.gov or via a link on the "Portfolio Holdings" page on vanguard.com. For the second and fourth fiscal quarters, the lists appear in the portfolio's semiannual and annual reports to shareholders. For the first and third fiscal quarters, the portfolio files the lists with the SEC on Form N-Q. Shareholders can look up the portfolio's Forms N-Q on the SEC's website at sec.gov. Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room (see the back cover of this report for further information).

	Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
U.S. Government and Agency Obligations (31.4%)				
² Federal Home Loan Bank Discount Notes	1.262%–1.351%	1/10/18	6,732	6,730
² Federal Home Loan Bank Discount Notes	1.351%	1/16/18	4,900	4,897
² Federal Home Loan Bank Discount Notes	1.262%–1.272%	1/17/18	4,400	4,398
² Federal Home Loan Bank Discount Notes	1.302%	1/19/18	3,400	3,398
² Federal Home Loan Bank Discount Notes	1.283%–1.352%	1/23/18	9,300	9,293
² Federal Home Loan Bank Discount Notes	1.283%–1.302%	1/24/18	10,500	10,491
² Federal Home Loan Bank Discount Notes	1.352%	1/26/18	9,991	9,982
² Federal Home Loan Bank Discount Notes	1.352%	1/31/18	5,000	4,994
² Federal Home Loan Bank Discount Notes	1.353%	2/2/18	1,300	1,298
² Federal Home Loan Bank Discount Notes	1.303%	2/7/18	15,672	15,651
² Federal Home Loan Bank Discount Notes	1.323%–1.353%	2/9/18	6,500	6,491
United States Treasury Bill	1.199%–1.215%	2/8/18	12,000	11,985
United States Treasury Bill	1.121%–1.244%	2/15/18	36,000	35,949
United States Treasury Bill	1.121%	2/22/18	19,265	19,234
United States Treasury Bill	1.309%	5/10/18	21,000	20,902
United States Treasury Bill	1.369%–1.390%	5/17/18	23,711	23,588
United States Treasury Bill	1.425%–1.430%	5/24/18	33,000	32,814
United States Treasury Bill	1.445%	5/31/18	30,000	29,821
United States Treasury Bill	1.461%	6/7/18	10,000	9,937
United States Treasury Bill	1.471%	6/14/18	10,000	9,933
United States Treasury Bill	1.542%	6/28/18	15,000	14,886
³ United States Treasury Floating Rate Note	1.620%	10/31/18	15,000	15,000
Total U.S. Government and Agency Obligations (Cost \$301,672)				301,672
Commercial Paper (37.0%)				
Bank Holding Company (1.3%)				
⁴ ABN Amro Funding USA LLC	1.356%	1/16/18	250	250
⁴ ABN Amro Funding USA LLC	1.356%	1/18/18	500	500
⁴ ABN Amro Funding USA LLC	1.417%	2/8/18	2,750	2,746
⁴ ABN Amro Funding USA LLC	1.417%	2/12/18	1,000	998
⁴ ABN Amro Funding USA LLC	1.746%	3/6/18	575	573
⁴ ABN Amro Funding USA LLC	1.606%	3/9/18	5,000	4,985
⁴ ABN Amro Funding USA LLC	1.728%	3/26/18	250	249
⁴ ABN Amro Funding USA LLC	1.588%–1.589%	4/5/18	1,750	1,743
				12,044
Finance—Auto (1.2%)				
⁴ BMW US Capital LLC	1.460%	1/5/18	1,000	1,000
Toyota Motor Credit Corp.	1.276%	1/16/18	2,000	1,999
Toyota Motor Credit Corp.	1.276%	1/17/18	1,000	999
Toyota Motor Credit Corp.	1.376%	2/8/18	2,000	1,997
Toyota Motor Credit Corp.	1.387%	2/13/18	2,000	1,997

	Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Toyota Motor Credit Corp.	1.397%	2/16/18	2,000	1,997
Toyota Motor Credit Corp.	1.760%	4/13/18	2,000	1,990
				11,979
Finance—Other (0.7%)				
⁵ GE Capital Treasury Services US LLC	1.622%	1/24/18	750	750
⁵ GE Capital Treasury Services US LLC	1.452%	3/2/18	1,000	1,000
GE Capital Treasury Services US LLC	1.339%	3/13/18	250	249
GE Capital Treasury Services US LLC	1.398%	3/16/18	3,000	2,991
GE Capital Treasury Services US LLC	1.400%	4/3/18	1,000	997
GE Capital Treasury Services US LLC	1.430%	4/9/18	500	498
GE Capital Treasury Services US LLC	1.471%	4/19/18	250	249
				6,734
Foreign Banks (26.1%)				
^{4,5} Australia & New Zealand Banking Group Ltd.	1.497%	1/8/18	1,000	1,000
^{4,5} Australia & New Zealand Banking Group Ltd.	1.635%	1/22/18	10,000	10,000
⁴ Australia & New Zealand Banking Group Ltd.	1.395%	3/1/18	1,000	998
^{4,5} Australia & New Zealand Banking Group Ltd.	1.631%	3/21/18	1,500	1,500
^{4,5} Australia & New Zealand Banking Group Ltd.	1.645%	3/22/18	1,250	1,250
⁴ Australia & New Zealand Banking Group Ltd.	1.490%	4/12/18	4,000	3,983
^{4,5} Australia & New Zealand Banking Group Ltd.	1.661%	6/21/18	1,500	1,500
^{4,5} Australia & New Zealand Banking Group Ltd.	1.532%	8/2/18	1,000	1,000
^{4,5} Australia & New Zealand Banking Group Ltd.	1.567%	8/8/18	1,000	1,000
^{4,5} Australia & New Zealand Banking Group Ltd.	1.592%	8/9/18	1,000	1,000
^{4,5} Australia & New Zealand Banking Group Ltd.	1.642%	8/14/18	1,500	1,500
^{4,5} Australia & New Zealand Banking Group Ltd.	1.717%	9/24/18	1,500	1,500
^{4,5} Australia & New Zealand Banking Group Ltd.	1.769%	11/29/18	3,500	3,500
^{4,5} Bank Nederlandse Gemeenten NV	1.510%	1/3/18	3,250	3,250
^{4,5} Bank of Nova Scotia	1.482%	1/2/18	2,000	2,000
⁴ Bank of Nova Scotia	1.805%	2/15/18	475	474
⁴ Bank of Nova Scotia	1.707%	3/15/18	5,000	4,983
⁴ Bank of Nova Scotia	1.607%	3/21/18	4,000	3,986
^{4,5} Bank of Nova Scotia	1.610%	4/13/18	6,000	6,000
^{4,5} Bank of Nova Scotia	1.641%	6/18/18	5,000	5,000
⁴ BPCE SA	1.400%	1/3/18	19,000	18,998
^{4,5} Canadian Imperial Bank of Commerce	1.702%	4/26/18	4,000	4,000
^{4,5} Canadian Imperial Bank of Commerce	1.557%	5/8/18	2,000	2,000
^{4,5} Commonwealth Bank of Australia	1.899%	1/5/18	1,000	1,000
^{4,5} Commonwealth Bank of Australia	2.011%	1/12/18	4,000	4,000
^{4,5} Commonwealth Bank of Australia	1.831%	1/25/18	2,000	2,000
^{4,5} Commonwealth Bank of Australia	1.912%	2/26/18	500	500
^{4,5} Commonwealth Bank of Australia	1.632%	5/1/18	3,000	3,000
^{4,5} Commonwealth Bank of Australia	1.691%	5/17/18	2,000	2,000

Vanguard Money Market Portfolio

	Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
4.5 Commonwealth Bank of Australia	1.691%	5/18/18	1,000	1,000	4 CDP Financial Inc.	1.817%	6/18/18	1,000	992
4.5 Commonwealth Bank of Australia	1.532%	6/4/18	1,000	1,000	6 CPPIB Capital Inc.	1.266%	1/18/18	3,000	2,998
4.5 Commonwealth Bank of Australia	1.637%	6/15/18	1,000	1,000	6 CPPIB Capital Inc.	1.265%	1/19/18	5,000	4,997
4.5 Commonwealth Bank of Australia	1.712%	7/23/18	2,000	2,000	Export Development Canada	1.306%	1/3/18	1,500	1,500
4.5 Commonwealth Bank of Australia	1.759%	8/30/18	3,000	3,000	Export Development Canada	1.410%	1/5/18	500	500
4.5 Commonwealth Bank of Australia	1.742%	9/24/18	1,000	1,000	Export Development Canada	1.306%	1/8/18	750	750
Credit Agricole Corporate & Investment Bank (New York Branch)	1.330%–1.350%	1/2/18	9,500	9,500	Export Development Canada	1.306%	1/9/18	1,500	1,500
Credit Suisse (New York Branch)	1.829%	3/23/18	5,000	4,980	Export Development Canada	1.306%	1/10/18	750	750
4 Danske Corp.	1.588%	4/3/18	500	498	Export Development Canada	1.306%	1/11/18	750	750
4 Danske Corp.	1.588%	4/4/18	2,500	2,490	Ontario Teachers' Finance Trust	1.350%	1/2/18	250	250
4 Danske Corp.	1.589%	4/5/18	3,000	2,988	6 Ontario Teachers' Finance Trust	1.367%	2/2/18	5,000	4,994
4 Danske Corp.	1.589%	4/6/18	3,000	2,987	6 Ontario Teachers' Finance Trust	1.389%	3/2/18	5,000	4,988
4 Danske Corp.	1.709%	4/10/18	2,000	1,991	6 Ontario Teachers' Finance Trust	1.432%–1.451%	4/10/18	750	747
4 Danske Corp.	1.710%	4/11/18	2,750	2,737	Ontario Teachers' Finance Trust	1.771%	5/1/18	500	497
4 Danske Corp.	1.710%	4/12/18	2,500	2,488	6 Ontario Teachers' Finance Trust	1.651%	5/3/18	2,100	2,088
4.5 DNB Bank ASA	1.595%	1/19/18	5,000	5,000	6 Ontario Teachers' Finance Trust	1.504%	5/9/18	250	249
4.5 DNB Bank ASA	1.456%	4/2/18	5,000	4,982	6 Ontario Teachers' Finance Trust	1.717%	7/5/18	500	496
4.5 HSBC Bank plc	1.825%	3/19/18	1,500	1,500	6 Ontario Teachers' Finance Trust	1.717%–1.899%	7/6/18	5,750	5,697
4.5 HSBC Bank plc	1.782%	4/24/18	1,000	1,000	6 Ontario Teachers' Finance Trust	1.760%	8/2/18	250	247
4.5 HSBC Bank plc	1.782%	4/25/18	500	500	Province of British Columbia	1.516%	3/21/18	5,000	4,985
4.5 HSBC Bank plc	1.752%	10/24/18	1,000	1,000	5.6 PSP Capital Inc.	1.581%	4/20/18	1,000	1,000
4.5 HSBC Bank plc	1.752%	10/25/18	750	750	5.6 PSP Capital Inc.	1.732%	10/26/18	1,500	1,500
4.5 HSBC Bank plc	1.579%	11/5/18	250	250					46,704
4.5 HSBC Bank plc	1.772%	11/26/18	1,400	1,400	Foreign Industrial (1.0%)				
4.5 National Australia Bank Ltd.	1.542%	1/3/18	4,500	4,500	4 Nestle Capital Corp.	1.276%	1/8/18	1,250	1,250
4.5 National Australia Bank Ltd.	1.595%	1/19/18	5,000	5,000	4 Nestle Capital Corp.	1.694%	6/11/18	750	744
4.5 National Australia Bank Ltd.	1.669%	1/29/18	2,000	2,000	4 Nestle Capital Corp.	1.694%	6/12/18	750	744
4.5 National Australia Bank Ltd.	1.512%	5/4/18	2,000	2,000	4 Nestle Capital Corp.	1.694%	6/13/18	750	744
4.5 National Australia Bank Ltd.	1.719%	5/30/18	1,000	1,000	4 Nestle Capital Corp.	1.694%	6/14/18	2,000	1,985
4.5 National Australia Bank Ltd.	1.719%	5/31/18	1,750	1,750	4 Nestle Capital Corp.	1.694%	6/15/18	2,000	1,985
4.5 National Australia Bank Ltd.	1.584%	6/12/18	5,000	5,000	4 Roche Holdings Inc.	1.400%	1/4/18	750	750
4.5 National Australia Bank Ltd.	1.719%	7/30/18	5,000	5,000	Toyota Credit Canada Inc.	1.609%	3/27/18	250	249
4.5 National Australia Bank Ltd.	1.695%	9/19/18	2,000	2,000	Toyota Credit Canada Inc.	1.609%	3/29/18	250	249
4 Nordea Bank AB	1.395%	3/8/18	5,250	5,237	Toyota Credit Canada Inc.	1.760%	4/16/18	1,000	995
4 Nordea Bank AB	1.395%	3/9/18	2,000	1,995					9,695
4 Nordea Bank AB	1.400%	3/16/18	3,000	2,991	Industrial (1.8%)				
4 Nordea Bank AB	1.476%	4/16/18	3,650	3,634	4 Chevron Corp.	1.490%	1/2/18	750	750
4 Nordea Bank AB	1.809%	6/20/18	3,000	2,975	4 Chevron Corp.	1.500%	1/3/18	750	750
4 Skandinaviska Enskilda Banken AB	1.376%	2/1/18	1,000	999	5 General Electric Co.	1.639%	3/29/18	3,750	3,750
Swedbank AB	1.406%	2/2/18	2,000	1,997	5 General Electric Co.	1.639%	3/29/18	2,750	2,750
Swedbank AB	1.400%	3/1/18	1,250	1,247	5 General Electric Co.	1.639%	3/29/18	500	500
Swedbank AB	1.395%	3/5/18	1,500	1,496	4 Johnson & Johnson	1.300%	1/3/18	1,000	1,000
Swedbank AB	1.395%	3/15/18	250	249	4 Novartis Finance Corp.	1.520%	1/18/18	500	500
Swedbank AB	1.583%	5/4/18	5,000	4,973	4 The Coca-Cola Co.	1.644%	6/6/18	500	496
Swedbank AB	1.713%	5/10/18	630	626	4 The Coca-Cola Co.	1.644%	6/7/18	1,750	1,737
Swedbank AB	1.593%	5/16/18	5,000	4,970	4 The Coca-Cola Co.	1.644%	6/8/18	750	745
4.5 Toronto Dominion Bank	1.539%	6/5/18	5,000	5,000	4 The Coca-Cola Co.	1.644%	6/11/18	1,750	1,737
4.5 Toronto Dominion Bank	1.672%	11/14/18	2,000	2,000	4 The Coca-Cola Co.	1.644%	6/12/18	1,250	1,241
4.5 Toronto Dominion Bank	1.609%	12/5/18	4,000	4,000	4 Wal-Mart Stores, Inc.	1.391%	1/8/18	1,500	1,500
4 Westpac Banking Corp.	1.701%	3/1/18	2,000	2,000					17,456
4.5 Westpac Banking Corp.	1.692%	3/2/18	700	700	Total Commercial Paper (Cost \$355,650)				355,650
4.5 Westpac Banking Corp.	1.764%	3/12/18	4,764	4,764	Certificates of Deposit (25.8%)				
4.5 Westpac Banking Corp.	1.732%	5/25/18	3,000	3,000	Domestic Banks (7.8%)				
4 Westpac Banking Corp.	1.674%	6/1/18	4,000	3,972	Citibank NA	1.400%	2/13/18	5,500	5,500
4.5 Westpac Banking Corp.	1.640%	8/13/18	4,000	4,000	Citibank NA	1.810%	6/18/18	2,500	2,500
4.5 Westpac Banking Corp.	1.759%	8/31/18	2,000	2,000	5 HSBC Bank USA NA	1.732%	3/2/18	750	750
4.5 Westpac Banking Corp.	1.662%	9/14/18	5,000	5,000	5 HSBC Bank USA NA	1.752%	3/6/18	1,000	1,000
4.5 Westpac Banking Corp.	1.691%	9/20/18	3,000	3,000	5 HSBC Bank USA NA	1.682%	4/3/18	1,000	1,000
4.5 Westpac Banking Corp.	1.697%	12/10/18	1,000	1,000	5 HSBC Bank USA NA	1.775%	4/19/18	500	500
			251,038		5 HSBC Bank USA NA	1.612%	5/3/18	2,500	2,500
Foreign Governments (4.9%)					5 HSBC Bank USA NA	1.569%	6/5/18	1,500	1,500
4 CDP Financial Inc.	1.430%	3/1/18	250	249	5 HSBC Bank USA NA	1.691%	8/16/18	500	500
4 CDP Financial Inc.	1.491%	3/29/18	500	498	5 HSBC Bank USA NA	1.711%	8/21/18	1,000	1,000
4 CDP Financial Inc.	1.471%–1.501%	4/3/18	1,250	1,245	5 HSBC Bank USA NA	1.561%	8/31/18	2,500	2,500
4 CDP Financial Inc.	1.512%–1.532%	4/20/18	500	498	5 HSBC Bank USA NA	1.562%	10/2/18	1,500	1,500
4 CDP Financial Inc.	1.542%	4/30/18	250	249	5 HSBC Bank USA NA	1.572%	11/2/18	750	750
4 CDP Financial Inc.	1.562%	5/11/18	250	249	5 HSBC Bank USA NA	1.772%	11/23/18	750	750
4 CDP Financial Inc.	1.653%	5/31/18	500	497	5 HSBC Bank USA NA	1.772%	11/27/18	250	250
4 CDP Financial Inc.	1.674%–1.714%	6/6/18	750	744					

Vanguard Money Market Portfolio

	Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)		Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
⁵ State Street Bank & Trust Co.	1.662%	4/26/18	12,500	12,500	⁵ Svenska Handelsbanken AB (New York Branch)	1.719%	4/30/18	2,000	2,000
⁵ State Street Bank & Trust Co.	1.527%	5/8/18	10,000	10,000	⁵ Svenska Handelsbanken AB (New York Branch)	1.532%	8/6/18	5,000	5,000
⁵ Wells Fargo Bank NA	1.601%	1/16/18	4,000	4,000	⁵ Svenska Handelsbanken AB (New York Branch)	1.521%	9/4/18	7,000	7,000
⁵ Wells Fargo Bank NA	1.601%	1/17/18	4,000	4,000	⁵ Swedbank AB (New York Branch)	1.360%	2/1/18	5,000	5,000
⁵ Wells Fargo Bank NA	1.489%	3/5/18	5,000	5,000	⁵ Toronto Dominion Bank (New York Branch)	1.821%	3/20/18	5,000	5,000
⁵ Wells Fargo Bank NA	1.517%	3/8/18	5,000	5,000	⁵ Toronto Dominion Bank (New York Branch)	1.657%	6/15/18	4,000	4,000
⁵ Wells Fargo Bank NA	1.645%	3/22/18	2,500	2,500	⁵ Toronto Dominion Bank (New York Branch)	1.632%	8/10/18	6,000	6,000
⁵ Wells Fargo Bank NA	1.562%	5/10/18	5,000	5,000					
⁵ Wells Fargo Bank NA	1.692%	5/29/18	4,000	4,000					
				74,500					173,445
Yankee Certificates of Deposit (18.0%)					Total Certificates of Deposit (Cost \$247,945)				
⁵ Bank of Montreal (Chicago Branch)	1.682%	2/26/18	1,000	1,000					247,945
⁵ Bank of Montreal (Chicago Branch)	1.502%	3/2/18	1,000	1,000	Other Notes (1.5%)				
⁵ Bank of Montreal (Chicago Branch)	1.700%	3/15/18	4,000	4,000	⁵ Bank of America NA	1.482%	1/2/18	1,500	1,500
⁵ Bank of Montreal (Chicago Branch)	1.610%	4/13/18	5,000	5,000	⁵ Bank of America NA	1.517%	1/8/18	2,500	2,500
⁵ Bank of Montreal (Chicago Branch)	1.511%	6/1/18	5,000	5,000	⁵ Bank of America NA	1.513%	3/7/18	1,250	1,250
⁵ Bank of Montreal (Chicago Branch)	1.729%	6/29/18	5,000	5,000	⁵ Bank of America NA	1.482%	4/3/18	1,500	1,500
⁵ Bank of Montreal (Chicago Branch)	1.685%	7/19/18	3,000	3,000	⁵ Bank of America NA	1.542%	4/9/18	2,250	2,250
⁵ Bank of Nova Scotia (Houston Branch)	1.665%	2/22/18	2,000	2,000	⁵ Bank of America NA	1.542%	4/11/18	1,500	1,500
Bank of Tokyo-Mitsubishi UFJ Ltd. (New York Branch)	1.350%	1/4/18	10,000	10,000	⁵ Bank of America NA	1.492%	5/2/18	1,000	1,000
⁵ Canadian Imperial Bank of Commerce (New York Branch)	1.699%	1/29/18	4,000	4,000	⁵ Bank of America NA	1.592%	5/14/18	1,550	1,550
⁵ Canadian Imperial Bank of Commerce (New York Branch)	1.631%	2/20/18	5,000	5,000	⁵ Bank of America NA	1.621%	5/16/18	1,000	1,000
⁵ Canadian Imperial Bank of Commerce (New York Branch)	1.641%	4/16/18	3,000	3,000					14,050
⁵ Canadian Imperial Bank of Commerce (New York Branch)	1.714%	6/28/18	1,500	1,500	Total Other Notes (Cost \$14,050)				
⁵ Canadian Imperial Bank of Commerce (New York Branch)	1.642%	7/12/18	5,000	5,000	Tax-Exempt Municipal Bonds (2.9%)				
⁵ Commonwealth Bank of Australia (New York Branch)	1.672%	4/3/18	1,000	1,000	⁷ Arizona Health Facilities Authority Revenue (Banner Health) VRDO	1.610%	1/7/18	250	250
⁵ Commonwealth Bank of Australia (New York Branch)	1.742%	9/26/18	2,000	2,000	⁷ Big Bear Lake CA Industrial Revenue (Southwest Gas Corp. Project) VRDO	1.780%	1/7/18	2,000	2,000
⁵ Commonwealth Bank of Australia (New York Branch)	1.779%	11/29/18	5,000	5,000	⁷ Broward County FL Educational Facilities Authority Revenue (Nova Southeastern University Project) VRDO	1.820%	1/2/18	200	200
⁵ Credit Suisse AG (New York Branch)	1.500%	1/4/18	1,000	1,000	⁷ Clackamas County OR Hospital Facilities Authority Revenue (Legacy Health System)	1.730%	1/7/18	250	250
⁵ Credit Suisse AG (New York Branch)	1.650%	3/16/18	10,000	10,000	⁷ Cleveland-Cuyahoga County OH Port Authority Revenue (Carnegie/89th Garage & Service Center LLC Project) VRDO	1.750%	1/7/18	250	250
⁵ DNB Bank ASA (New York Branch)	1.595%	1/19/18	5,000	5,000	⁷ Collier County FL Industrial Development Authority Revenue	1.770%	1/7/18	2,095	2,095
⁵ DNB Bank ASA (New York Branch)	1.645%	3/22/18	3,000	3,000	⁷ Columbus OH Regional Airport Authority Airport Revenue (OASBO Expanded Asset Program) VRDO	1.740%	1/7/18	2,575	2,575
⁵ DNB Bank ASA (New York Branch)	1.512%	5/7/18	5,000	5,000	⁷ Kansas Development Finance Authority Health Facilities Revenue (Kansas University Health System)	1.750%	1/7/18	4,100	4,100
⁵ KBC Bank NV (New York Branch)	1.400%	1/4/18	5,250	5,250	⁷ Manatee County FL Housing Finance Authority Multi Family Revenue	1.780%	1/7/18	2,000	2,000
⁵ Nordea Bank AB (New York Branch)	1.590%	5/14/18	750	750	⁷ Montgomery County TN Public Building Authority Pooled Financial Revenue (Tennessee County Loan Pool) VRDO	2.000%	1/2/18	100	100
⁵ Nordea Bank AB (New York Branch)	1.590%	5/17/18	600	600	⁷ New York City NY GO VRDO	1.820%	1/2/18	100	100
⁵ Nordea Bank AB (New York Branch)	1.680%	6/5/18	5,000	5,000	⁷ New York State Housing Finance Agency Housing Revenue (625 W 57th Street) VRDO	1.750%	1/7/18	250	250
⁵ Royal Bank of Canada (New York Branch)	1.479%	1/5/18	5,000	5,000	⁷ Ohio State Industrial Development Revenue	1.950%	1/7/18	2,700	2,700
⁵ Royal Bank of Canada (New York Branch)	1.753%	3/7/18	1,125	1,125	⁷ Orange County FL Health Facilities Authority Revenue (Nemours Foundation Project) VRDO	1.780%	1/7/18	3,690	3,690
⁵ Royal Bank of Canada (New York Branch)	1.621%	3/16/18	6,000	6,000	⁷ San Francisco CA City & County Multifamily Housing Revenue (1601 Mariposa Apartments) VRDO	1.750%	1/7/18	7,000	7,000
⁵ Royal Bank of Canada (New York Branch)	1.821%	3/20/18	1,220	1,220					
⁵ Royal Bank of Canada (New York Branch)	1.600%	4/13/18	3,000	3,000					
⁵ Royal Bank of Canada (New York Branch)	1.627%	6/15/18	5,000	5,000					
⁵ Royal Bank of Canada (New York Branch)	1.642%	7/13/18	5,000	5,000					
⁵ Skandinaviska Enskilda Banken AB (New York Branch)	1.380%	1/4/18	2,000	2,000					
⁵ Skandinaviska Enskilda Banken AB (New York Branch)	1.625%	3/22/18	2,000	2,000					
⁵ Skandinaviska Enskilda Banken AB (New York Branch)	1.685%	7/19/18	2,000	2,000					
⁵ Svenska Handelsbanken AB (New York Branch)	1.689%	1/29/18	4,000	4,000					
⁵ Svenska Handelsbanken AB (New York Branch)	1.631%	2/20/18	5,000	5,000					

Vanguard Money Market Portfolio

	Yield ¹	Maturity Date	Face Amount (\$000)	Market Value* (\$000)
Taxable Municipal Bonds (1.4%)				
7 Alexandria VA Industrial Development Authority Headquarters Facilities Revenue VRDO	1.570%	1/7/18	6,400	6,400
7 Johnson City TN Health & Educational Facilities Board Hospital Revenue (Mountain States Health Alliance) VRDO	1.600%	1/7/18	1,545	1,545
6 Los Angeles CA Department of Water & Power Revenue TOB VRDO	1.860%	1/7/18	100	100
6 Massachusetts Transportation Fund Revenue TOB VRDO	1.860%	1/7/18	100	100
7 New York State Housing Finance Agency Housing Rev (160 Madison Ave) VRDO	1.850%	1/2/18	5,000	5,000
7 New York State Housing Finance Agency Housing Revenue (20 Lafayette LLC) VRDO	1.700%	1/7/18	250	250
6 Seattle WA Municipal Light & Power Revenue TOB VRDO	1.860%	1/7/18	100	100
University of Texas System Revenue	1.430%	1/7/18	500	500
Total Taxable Municipal Bonds (Cost \$13,995)				13,995
Total Investments (100.0%) (Cost \$960,872)				960,872
				Amount (\$000)
Other Assets and Liabilities (0.0%)				
Other Assets				
Investment in Vanguard				55
Receivables for Accrued Income				450
Receivables for Capital Shares Issued				473
Other Assets				2,622
Total Other Assets				3,600
Liabilities				
Payables for Investment Securities Purchased				(2,575)
Payables for Capital Shares Redeemed				(623)
Payables to Vanguard				(77)
Total Liabilities				(3,275)
Net Assets (100%)				
Applicable to 960,677,387 outstanding \$.001 par value shares of beneficial interest (unlimited authorization)				961,197
Net Asset Value per Share				\$1.00

At December 31, 2017, net assets consisted of:

	Amount (\$000)
Paid-in-Capital	961,077
Undistributed Net Investment Income	5
Accumulated Net Realized Gains	115
Net Assets	961,197

* See Note A in Notes to Financial Statements.

1 Represents annualized yield at date of purchase for discount securities, and coupon for coupon-bearing securities.

2 The issuer operates under a congressional charter; its securities are generally neither guaranteed by the U.S. Treasury nor backed by the full faith and credit of the U.S. government.

3 Adjustable-rate security based upon 3-month U.S. Treasury Bill Auction High Money Market Yield plus spread.

4 Security exempt from registration under Section 4(2) of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration only to dealers in that program or other "accredited investors." At December 31, 2017, the aggregate value of these securities was \$257,923,000, representing 26.8% of net assets.

5 Adjustable-rate security based upon 1-month USD LIBOR plus spread.

6 Security exempt from registration under Rule 144A of the Securities Act of 1933. Such securities may be sold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, the aggregate value of these securities was \$30,798,000, representing 3.2% of net assets.

7 Scheduled principal and interest payments are guaranteed by bank letter of credit.

GO—General Obligation Bond.

TOB—Tender Option Bond.

VRDO—Variable Rate Demand Obligation.

Statement of Operations

	Year Ended December 31, 2017
	(\$000)
Investment Income	
Income	
Interest	11,253
Total Income	11,253
Expenses	
The Vanguard Group—Note B	
Investment Advisory Services	31
Management and Administrative	1,220
Marketing and Distribution	206
Custodian Fees	19
Auditing Fees	35
Shareholders' Reports and Proxy	34
Trustees' Fees and Expenses	1
Total Expenses	1,546
Net Investment Income	9,707
Realized Net Gain (Loss) on Investment Securities Sold	(10)
Net Increase (Decrease) in Net Assets Resulting from Operations	9,697

Statement of Changes in Net Assets

	Year Ended December 31,	
	2017 (\$000)	2016 (\$000)
Increase (Decrease) in Net Assets		
Operations		
Net Investment Income	9,707	5,311
Realized Net Gain (Loss)	(10)	27
Net Increase (Decrease) in Net Assets Resulting from Operations	9,697	5,338
Distributions		
Net Investment Income	(9,666)	(5,327)
Realized Capital Gain	—	—
Total Distributions	(9,666)	(5,327)
Capital Share Transactions (at \$1.00 per share)		
Issued	347,263	605,910
Issued in Lieu of Cash Distributions	9,666	5,327
Redeemed	(360,545)	(863,845)
Net Increase (Decrease) from Capital Share Transactions	(3,616)	(252,608)
Total Increase (Decrease)	(3,585)	(252,597)
Net Assets		
Beginning of Period	964,782	1,217,379
End of Period¹	961,197	964,782

¹ Net Assets—End of Period includes undistributed (overdistributed) net investment income of \$5,000 and (\$36,000).

Financial Highlights

For a Share Outstanding Throughout Each Period	Year Ended December 31,				
	2017	2016	2015	2014	2013
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Investment Operations					
Net Investment Income	.010 ¹	.005	.001	.001	.001
Net Realized and Unrealized Gain (Loss) on Investments	—	—	—	—	—
Total from Investment Operations	.010	.005	.001	.001	.001
Distributions					
Dividends from Net Investment Income	(.010)	(.005)	(.001)	(.001)	(.001)
Distributions from Realized Capital Gains	—	—	—	—	—
Total Distributions	(.010)	(.005)	(.001)	(.001)	(.001)
Net Asset Value, End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Return	1.01%	0.48%	0.15%	0.10%	0.11%
Ratios/Supplemental Data					
Net Assets, End of Period (Millions)	\$961	\$965	\$1,217	\$1,197	\$1,308
Ratio of Expenses to Average Net Assets	0.16%	0.16% ²	0.06% ²	0.06% ²	0.06% ²
Ratio of Net Investment Income to Average Net Assets	1.00%	0.46%	0.15%	0.10%	0.11%

¹ Calculated based on average shares outstanding.

² The ratio of total expenses to average net assets before an expense reduction was 0.16% for 2016, 0.16% for 2015, 0.16% for 2014, and 0.16% for 2013. See Note B in the Notes to Financial Statements.

Notes to Financial Statements

Vanguard Money Market Portfolio, a portfolio of Vanguard Variable Insurance Funds, is registered under the Investment Company Act of 1940 as an open-end investment company. The portfolio's shares are only available for purchase by separate accounts of insurance companies as investments for variable annuity plans, variable life insurance contracts, or other variable benefit insurance contracts. The portfolio invests in short-term debt instruments of companies primarily operating in specific industries, particularly financial services; the issuers' abilities to meet their obligations may be affected by economic developments in such industries.

A. The following significant accounting policies conform to generally accepted accounting principles for U.S. investment companies. The portfolio consistently follows such policies in preparing its financial statements.

1. **Security Valuation:** Securities are valued as of the close of trading on the New York Stock Exchange (generally 4 p.m., Eastern time) on the valuation date. Securities are valued at amortized cost, which approximates market value.

2. **Federal Income Taxes:** The portfolio intends to continue to qualify as a regulated investment company and distribute all of its taxable income. Management has analyzed the portfolio's tax positions taken for all open federal income tax years (December 31, 2014–2017), and has concluded that no provision for federal income tax is required in the portfolio's financial statements.

3. **Distributions:** Distributions from net investment income are declared daily and paid on the first business day of the following month.

4. **Credit Facility:** The portfolio and certain other funds managed by The Vanguard Group ("Vanguard") participate in a \$3.1 billion committed credit facility provided by a syndicate of lenders pursuant to a credit agreement that may be renewed annually; each fund is individually liable for its borrowings, if any, under the credit facility. Borrowings may be utilized for temporary and emergency purposes, and are subject to the portfolio's regulatory and contractual borrowing restrictions. The participating funds are charged administrative fees and an annual commitment fee of 0.10% of the undrawn amount of the facility; these fees are allocated to the funds based on a method approved by the portfolio's board of trustees and included in Management and Administrative expenses on the portfolio's Statement of

Vanguard Money Market Portfolio

Operations. Any borrowings under this facility bear interest at a rate based upon the higher of the one-month London Interbank Offered Rate, federal funds effective rate, or overnight bank funding rate plus an agreed-upon spread.

The portfolio had no borrowings outstanding at December 31, 2017, or at any time during the period then ended.

5. Other: Interest income is accrued daily. Premiums and discounts on debt securities purchased are amortized and accreted, respectively, to interest income over the lives of the respective securities. Security transactions are accounted for on the date securities are bought or sold. Costs used to determine realized gains (losses) on the sale of investment securities are those of the specific securities sold.

B. In accordance with the terms of a Funds' Service Agreement (the "FSA") between Vanguard and the portfolio, Vanguard furnishes to the portfolio investment advisory, corporate management, administrative, marketing, and distribution services at Vanguard's cost of operations (as defined by the FSA). These costs of operations are allocated to the portfolio based on methods and guidelines approved by the board of trustees. Vanguard does not require reimbursement in the current period for certain costs of operations (such as deferred compensation/benefits and risk/insurance costs); the portfolio's liability for these costs of operations is included in Payables to Vanguard on the Statement of Net Assets.

Upon the request of Vanguard, the portfolio may invest up to 0.40% of its net assets as capital in Vanguard. At December 31, 2017, the portfolio had contributed to Vanguard capital in the amount of \$55,000, representing 0.01% of the portfolio's net assets and 0.02% of Vanguard's capitalization. The portfolio's trustees and officers are also directors and employees, respectively, of Vanguard.

Vanguard and the board of trustees have agreed to temporarily limit certain net operating expenses in excess of the portfolio's daily yield in order to maintain a zero or positive yield for the portfolio. Vanguard and the board of trustees may terminate the temporary expense limitation at any time. The portfolio is not obligated to repay this amount to Vanguard. For the year ended December 31, 2017, the portfolio did not receive an expense reduction from Vanguard.

C. Various inputs may be used to determine the value of the portfolio's investments. These inputs are summarized in three broad levels for financial statement purposes. The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1—Quoted prices in active markets for identical securities.

Level 2—Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3—Significant unobservable inputs (including the portfolio's own assumptions used to determine the fair value of investments). Any investments valued with significant unobservable inputs are noted on the Statement of Net Assets.

At December 31, 2017, 100% of the market value of the portfolio's investments was determined using amortized cost, in accordance with rules under the Investment Company Act of 1940. Amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, securities valued at amortized cost are considered to be valued using Level 2 inputs.

D. Capital gain distributions are determined on a tax basis and may differ from realized capital gains for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when gains or losses are recognized in different periods for financial statement and tax purposes. These differences will reverse at some time in the future.

At December 31, 2017, the fund had available capital losses totaling \$10,000 that may be carried forward indefinitely to offset future net capital gains.

E. At December 31, 2017, one shareholder, an insurance company separate account whose holdings in the portfolio represent the indirect investment of Vanguard Variable Annuity contract holders, was the record or beneficial owner of 87% of the portfolio's net assets. If the shareholder were to redeem its investment in the portfolio, the redemption might result in an increase in the portfolio's expense ratio or cause the portfolio to incur higher transaction costs.

F. Management has determined that no material events or transactions occurred subsequent to December 31, 2017, that would require recognition or disclosure in these financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Vanguard Variable Insurance Funds and Shareholders of Money Market Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of net assets of Money Market Portfolio (one of the portfolios constituting Vanguard Variable Insurance Funds, referred to hereafter as the "Portfolio") as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio's management. Our responsibility is to express an opinion on the Portfolio's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian and brokers and by agreement to the underlying ownership records of the transfer agent; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
February 15, 2018

We have served as the auditor of one or more investment companies in The Vanguard Group of Funds since 1975.

About Your Portfolio’s Expenses

As a shareholder of the portfolio, you incur ongoing costs, which include costs for portfolio management, administrative services, and shareholder reports (like this one), among others. Operating expenses, which are deducted from a portfolio’s gross income, directly reduce the investment return of the portfolio.

A portfolio’s expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your portfolio and to compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The table below illustrates your portfolio’s costs in two ways:

- **Based on actual portfolio return.** This section helps you to estimate the actual expenses that you paid over the period. The “Ending Account Value” shown is derived from the portfolio’s actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the portfolio. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for your portfolio under the heading “Expenses Paid During Period.”

- **Based on hypothetical 5% yearly return.** This section is intended to help you compare your portfolio’s costs with those of other mutual funds. It assumes that the portfolio had a yearly return of 5% before expenses, but that the expense ratio is unchanged. In this case—because the return used is not the portfolio’s actual return—the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess your portfolio’s costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note that the expenses shown in the table are meant to highlight and help you compare *ongoing* costs only and do not reflect transaction costs incurred by the portfolio for buying and selling securities. The portfolio’s expense ratio does not reflect additional fees and expenses associated with the annuity or life insurance program through which you invest.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

You can find more information about the portfolio’s expenses in the Financial Statements section. For additional information on operating expenses and other shareholder costs, please refer to the prospectus.

Six Months Ended December 31, 2017

	Beginning Account Value 6/30/2017	Ending Account Value 12/31/2017	Expenses Paid During Period ¹
Money Market Portfolio			
Based on Actual Portfolio Return	\$1,000.00	\$1,005.75	\$0.81
Based on Hypothetical 5% Yearly Return	1,000.00	1,024.40	0.82

¹ The calculations are based on expenses incurred in the most recent six-month period. The portfolio’s annualized six-month expense ratio for that period is 0.16%. The dollar amounts shown as “Expenses Paid” are equal to the annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent six-month period, then divided by the number of days in the most recent 12-month period (184/365).

The People Who Govern Your Fund

The trustees of your mutual fund are there to see that the fund is operated and managed in your best interests since, as a shareholder, you are a part owner of the fund. Your fund's trustees also serve on the board of directors of The Vanguard Group, Inc., which is owned by the Vanguard funds and provides services to them on an at-cost basis.

A majority of Vanguard's board members are independent, meaning that they have no affiliation with Vanguard or the funds they oversee, apart from the sizable personal investments they have made as private individuals. The independent board members have distinguished backgrounds in business, academia, and public service. Each of the trustees and executive officers oversees 201 Vanguard funds.

Information for each trustee and executive officer of the fund appears below. The mailing address of the trustees and officers is P.O. Box 876, Valley Forge, PA 19482. More information about the trustees is in the *Statement of Additional Information*, which can be obtained, without charge, by contacting Vanguard at 800-662-7447, or online at vanguard.com.

Interested Trustee¹

F. William McNabb III

Born 1957. Trustee Since July 2009. Chairman of the Board. Principal Occupation(s) During the Past Five Years and Other Experience: Chairman of the Board of The Vanguard Group, Inc., and of each of the investment companies served by The Vanguard Group, since January 2010; Chief Executive Officer and Director of The Vanguard Group and President and Chief Executive Officer of each of the investment companies served by The Vanguard Group, since 2008; Director of Vanguard Marketing Corporation; President of The Vanguard Group (2008–2017); Managing Director of The Vanguard Group (1995–2008).

Independent Trustees

Emerson U. Fullwood

Born 1948. Trustee Since January 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Executive Chief Staff and Marketing Officer for North America and Corporate Vice President (retired 2008) of Xerox Corporation (document management products and services); Executive in Residence and 2009–2010 Distinguished Minett Professor at the Rochester Institute of Technology; Lead Director of SPX FLOW, Inc. (multi-industry manufacturing); Director of the United Way of Rochester, the University of Rochester Medical Center, Monroe Community College Foundation, North Carolina A&T University, and Roberts Wesleyan College; Trustee of the University of Rochester.

Rajiv L. Gupta

Born 1945. Trustee Since December 2001.² Principal Occupation(s) During the Past Five Years and Other Experience: Chairman and Chief Executive Officer (retired 2009) and President (2006–2008) of Rohm and Haas Co. (chemicals); Director of Arconic Inc. (diversified

manufacturer), HP Inc. (printer and personal computer manufacturing), and Delphi Automotive plc (automotive components); Senior Advisor at New Mountain Capital.

Amy Gutmann

Born 1949. Trustee Since June 2006. Principal Occupation(s) During the Past Five Years and Other Experience: President of the University of Pennsylvania; Christopher H. Browne Distinguished Professor of Political Science, School of Arts and Sciences, and Professor of Communication, Annenberg School for Communication, with secondary faculty appointments in the Department of Philosophy, School of Arts and Sciences, and at the Graduate School of Education, University of Pennsylvania; Trustee of the National Constitution Center.

JoAnn Heffernan Heisen

Born 1950. Trustee Since July 1998. Principal Occupation(s) During the Past Five Years and Other Experience: Corporate Vice President and Member of the Executive Committee (1997–2008), Chief Global Diversity Officer (retired 2008), Vice President and Chief Information Officer (1997–2006), Controller (1995–1997), Treasurer (1991–1995), and Assistant Treasurer (1989–1991) of Johnson & Johnson (pharmaceuticals/medical devices/consumer products); Director of Skytop Lodge Corporation (hotels) and the Robert Wood Johnson Foundation; Member of the Advisory Board of the Institute for Women's Leadership at Rutgers University.

F. Joseph Loughrey

Born 1949. Trustee Since October 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2009) of Cummins Inc. (industrial machinery); Chairman of the Board of Hillenbrand, Inc. (specialized consumer services), Oxfam America, and the Lumina Foundation for Education; Director of the V Foundation for

Cancer Research; Member of the Advisory Council for the College of Arts and Letters and Chair of the Advisory Board to the Kellogg Institute for International Studies, both at the University of Notre Dame.

Mark Loughridge

Born 1953. Trustee Since March 2012. Principal Occupation(s) During the Past Five Years and Other Experience: Senior Vice President and Chief Financial Officer (retired 2013) at IBM (information technology services); Fiduciary Member of IBM's Retirement Plan Committee (2004–2013); Member of the Council on Chicago Booth.

Scott C. Malpass

Born 1962. Trustee Since March 2012. Principal Occupation(s) During the Past Five Years and Other Experience: Chief Investment Officer and Vice President at the University of Notre Dame; Assistant Professor of Finance at the Mendoza College of Business at Notre Dame; Member of the Notre Dame 403(b) Investment Committee, the Board of Advisors for Spruceview Capital Partners, the Board of Catholic Investment Services, Inc. (investment advisor), and the Board of Superintendence of the Institute for the Works of Religion; Chairman of the Board of TIFF Advisory Services, Inc. (investment advisor).

André F. Perold

Born 1952. Trustee Since December 2004. Principal Occupation(s) During the Past Five Years and Other Experience: George Gund Professor of Finance and Banking, Emeritus at the Harvard Business School (retired 2011); Chief Investment Officer and Co-Managing Partner of HighVista Strategies LLC (private investment firm); Overseer of the Museum of Fine Arts Boston.

¹ Mr. McNabb is considered an "interested person," as defined in the Investment Company Act of 1940, because he is an officer of the Vanguard funds.
² December 2002 for Vanguard Equity Income Fund, the Vanguard Municipal Bond Funds, and the Vanguard State Tax-Exempt Funds.

Peter F. Volanakis

Born 1955. Trustee Since July 2009. Principal Occupation(s) During the Past Five Years and Other Experience: President and Chief Operating Officer (retired 2010) of Corning Incorporated (communications equipment); Chairman of the Board of Trustees of Colby-Sawyer College; Member of the Board of Hypertherm, Inc. (industrial cutting systems, software, and consumables).

Executive Officers

Glenn Booraem

Born 1967. Investment Stewardship Officer Since February 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Treasurer (2015–2017), Controller (2010–2015), and Assistant Controller (2001–2010) of each of the investment companies served by The Vanguard Group.

Christine M. Buchanan

Born 1970. Treasurer Since November 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Treasurer of each of the investment companies served by The Vanguard Group; Global Head of Vanguard Fund Administration at The Vanguard Group; Partner at KPMG LLP (2005–2017).

Thomas J. Higgins

Born 1957. Chief Financial Officer Since September 2008. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Chief Financial Officer of each of the investment companies served by The Vanguard Group; Treasurer of each of the investment companies served by The Vanguard Group (1998–2008).

Peter Mahoney

Born 1974. Controller Since May 2015. Principal Occupation(s) During the Past Five Years and Other Experience: Principal of The Vanguard Group, Inc.; Controller of each of the investment companies served by The Vanguard Group; Head of International Fund Services at The Vanguard Group (2008–2014).

Anne E. Robinson

Born 1970. Secretary Since September 2016. Principal Occupation(s) During the Past Five Years and Other Experience: Managing Director of The Vanguard Group, Inc.; General Counsel of The Vanguard Group; Secretary of The Vanguard Group and of each of the investment companies served by The Vanguard Group; Director and Senior Vice President of Vanguard Marketing Corporation; Managing Director and General Counsel of Global Cards and Consumer Services at Citigroup (2014–2016); Counsel at American Express (2003–2014).

Michael Rollings

Born 1963. Finance Director Since November 2017. Principal Occupation(s) During the Past Five Years and Other Experience: Managing Director of The Vanguard Group, Inc.; Director of Vanguard Marketing Corporation; Treasurer of each of the investment companies served by The Vanguard Group (February 2017–November 2017); Executive Vice President and Chief Financial Officer of MassMutual Financial Group (2006–2016).

Vanguard Senior Management Team

Mortimer J. Buckley	Chris D. McIsaac
Gregory Davis	James M. Norris
John James	Thomas M. Rampulla
Martha G. King	Karin A. Risi
John T. Marcante	

Chairman Emeritus and Senior Advisor

John J. Brennan

Chairman, 1996–2009
Chief Executive Officer and President, 1996–2008

Founder

John C. Bogle

Chairman and Chief Executive Officer, 1974–1996

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Who Are Deaf or Hard of Hearing > 800-749-7273

This material may be used in conjunction with the offering of shares of any Vanguard fund only if preceded or accompanied by the fund's current prospectus.

You can obtain a free copy of Vanguard's proxy voting guidelines by visiting vanguard.com/proxyreporting or by calling Vanguard at 800-662-2739. The guidelines are also available from the SEC's website, sec.gov. In addition, you may obtain a free report on how your fund voted the proxies for securities it owned during the 12 months ended June 30. To get the report, visit either vanguard.com/proxyreporting or sec.gov.

All comparative mutual fund data are from Lipper, a Thomson Reuters Company, or Morningstar, Inc., unless otherwise noted.

You can review and copy information about your portfolio at the SEC's Public Reference Room in Washington, D.C. To find out more about this public service, call the SEC at 202-551-8090. Information about your portfolio is also available on the SEC's website, and you can receive copies of this information, for a fee, by sending a request in either of two ways: via email addressed to publicinfo@sec.gov or via regular mail addressed to the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-1520.

The funds or securities referred to herein that are offered by The Vanguard Group and track an MSCI index are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. For such funds or securities, the prospectus or the *Statement of Additional Information* contains a more detailed description of the limited relationship MSCI has with The Vanguard Group.

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Performance Summary Fourth Quarter 2017

The performance data shown represent past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. For performance data current to the most recent month-end, visit our website at vanguard.com/performance.

Portfolio/Subaccount (Inception Date)	Nonstandardized ¹ Total Returns		Standardized ² Total Returns for Periods Ended 12/31/2017				Annualized Current Yield* for Period Ended 12/31/2017
	Fourth Quarter 2017	YTD 2017	1 Year	5 Years	10 Years	Since Inception	
Money Market** (5/2/1991)	0.23%	0.72%	0.71%	0.07%	0.28%	2.45%	1.05%
Citigroup 3-Month U.S. Treasury Bill Index	0.28	0.84	0.84	0.23	0.34	2.62	
Short-Term Investment-Grade (2/8/1999)	-0.17	1.80	1.79	1.45	2.69	3.53	
Bloomberg Barclays U.S. 1-5 Year Credit Index	-0.13	2.32	2.32	1.83	3.49	4.44	
Total Bond Market Index (4/29/1991)	0.27	3.18	3.18	1.64	3.57	5.20	
Spliced Bloomberg Barclays U.S. Aggregate Float Adjusted Index ³	0.41	3.63	3.63	2.10	4.03	5.87	
High Yield Bond (6/3/1998) ³	-0.07	6.70	6.69	4.71	6.30	5.86	
Bloomberg Barclays U.S. Corporate High Yield Bond Index	0.47	7.50	7.50	5.78	8.03	7.20	
Conservative Allocation (10/19/2011) ⁴	2.55	10.57	10.56	—	—	6.83	
Conservative Allocation Composite Index	2.73	10.95	10.95	6.74	—	7.30	
Moderate Allocation (10/19/2011) ⁴	3.56	14.47	14.47	8.38	—	8.99	
Moderate Allocation Composite Index	3.83	14.88	14.88	8.90	—	9.48	
Balanced (5/23/1991) ⁴	4.43	14.39	14.39	10.59	7.23	9.20	
Standard & Poor's 500 Index	6.64	21.83	21.83	15.79	8.50	9.90	
Variable Insurance Balanced Composite Index	4.61	15.76	15.76	11.24	7.46	8.84	
Total Stock Market Index (5/1/2003)	6.20	20.62	20.62	15.05	8.17	9.82	
Spliced Total Market Index***	6.33	21.16	21.16	15.52	8.58	10.22	
Equity Index (4/29/1991)	6.53	21.31	21.30	15.29	8.06	9.34	
Standard & Poor's 500 Index	6.64	21.83	21.83	15.79	8.50	9.90	
Variable Insurance Large-Cap Core Funds Average	5.93	20.32	20.32	14.22	7.12	8.55	
Equity Income (6/7/1993)	6.31	17.91	17.91	14.40	8.37	9.62	
Spliced Equity Income Index****	6.31	16.51	16.51	15.16	8.70	10.53	
Diversified Value (2/8/1999)	5.37	12.83	12.83	11.79	6.32	6.95	
Russell 1000 Value Index	5.33	13.66	13.66	14.04	7.10	7.07	
Growth (6/7/1993)	6.07	30.54	30.54	16.23	8.72	7.15	
Russell 1000 Growth Index	7.86	30.21	30.21	17.33	10.00	9.37	
Standard & Poor's 500 Index	6.64	21.83	21.83	15.79	8.50	9.69	
Capital Growth (5/1/2003)	6.93	28.46	28.46	18.82	10.93	12.53	
Standard & Poor's 500 Index	6.64	21.83	21.83	15.79	8.50	9.81	
Mid-Cap Index (2/9/1999) ⁵	5.53	18.74	18.73	14.52	8.47	10.02	
Spliced Mid Cap Index*****	5.65	19.30	19.30	15.06	8.96	10.41	
Small Company Growth (6/3/1998) ⁵	5.14	23.11	23.11	15.55	10.12	10.65	
Russell 2500 Growth Index	6.35	24.46	24.46	15.47	9.62	8.06	
Variable Insurance Small-Cap Growth Funds Average	5.18	23.89	23.89	14.37	8.37	7.20	
REIT Index (2/9/1999) ⁶	1.24	4.47	4.47	8.77	7.10	10.09	
REIT Spliced Index [†]	1.41	5.07	5.07	9.34	7.63	10.65	
International (6/3/1994) ⁷	3.88	42.26	42.26	10.48	4.36	7.32	
Spliced International Index ^{††}	5.00	27.19	27.19	6.80	1.23	4.89	
Total International Stock Market Index (9/7/2017)	4.83	—	—	—	—	5.66	
FTSE Global All Cap ex US Index	—	—	—	—	—	0.93	
Global Bond Index (9/7/2017)	0.53	—	—	—	—	-0.24	
Global Bond Composite Index	—	—	—	—	—	-0.79	

*Seven-day yield for the Money Market Portfolio; the annualized yield reflects the current earnings of the portfolio more closely than the total returns shown.

**The Fund is only available to retail investors (natural persons). You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

***Spliced Total Market Index: Dow Jones Wilshire 5000 Index through June 17, 2005; S&P Total Market Index thereafter.

****Spliced Equity Income Index: Russell 1000 Value Index through July 31, 2007; FTSE High Dividend Yield Index thereafter.

*****Spliced Mid Cap Index: S&P MidCap 400 Index through May 16, 2003; MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index thereafter.

† MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index thereafter.

†† The portfolio adopted the MSCI All Country World Index ex USA on June 1, 2010, as its target index, replacing the MSCI EAFE Index. The Spliced International Index reflects performance of the MSCI EAFE Index through May 31, 2010, and performance of the MSCI All Country World Index ex USA thereafter.

The "nonstandardized" quarter and year-to-date returns are unadjusted. The "standardized" one-, five-, and ten-year period returns are adjusted for the \$25 annual fee charged on contracts valued at less than \$25,000. With respect to contracts issued in New York State, performance figures shown are based on the actual performance of Vanguard Variable Insurance Fund as if the contracts were being offered in New York prior to their first New York offering date in November 1992. Distributions taken prior to age 59½ may be subject to a 10% federal penalty tax.

† Barclays U.S. Aggregate Bond Index through December 31, 2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.

‡ Because high-yield bonds are considered speculative, investors should be prepared to assume a substantially greater level of risk than with other types of bonds.

§ These investments are eligible for the Guaranteed Lifetime Withdrawal Benefit.

¶ A portfolio that concentrates its investments in small- and mid-capitalization stocks may be more volatile than a portfolio that invests in large-capitalization stocks.

‡ A portfolio that concentrates its investments in one economic sector or geographic region faces the risk of higher share-price volatility.

† Foreign stock prices are subject to the same influences as domestic stocks, but international investing can involve additional risks and expenses that can increase the potential for losses in the portfolio (for example, changes in currency rates, higher transaction costs, less stable economies and political structures, and differences in auditing and other financial standards).

Average portfolio performance is based on data provided by Lipper, a Thomson Reuters Company.

The returns presented in the table on the reverse take into account the reinvestment of all dividends and capital gains, reduced by a daily mortality and expense risk charge. The daily mortality and expense risk charge corresponds to an annual fee of 0.19% and an administrative charge that corresponds to an annual fee of 0.10%.

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Only the subaccounts bolded in the table on the reverse are available through the Vanguard Variable Annuity.

Please reference the Vanguard Variable Insurance Fund prospectus for more information regarding risk.

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