

# Virtus Multi-Sector Fixed Income Series

## VIRTUS VARIABLE INSURANCE TRUST

**CUSIP** 92829L307

Investment Adviser  
 Virtus Investment Advisers, Inc.  
 Investment Subadviser  
 Newfleet Asset Management

## INVESTMENT MANAGER OF THE SERIES

Newfleet Multi-Sector Fixed Income Strategies leverage the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction, avoiding interest rate bets and remaining duration neutral to each strategy's stated benchmark.

## INVESTMENT PROFESSIONALS

David L. Albrycht, CFA  
 Industry start date: 1985  
 Start date with Series: 1991

## IMPORTANT RISK CONSIDERATIONS:

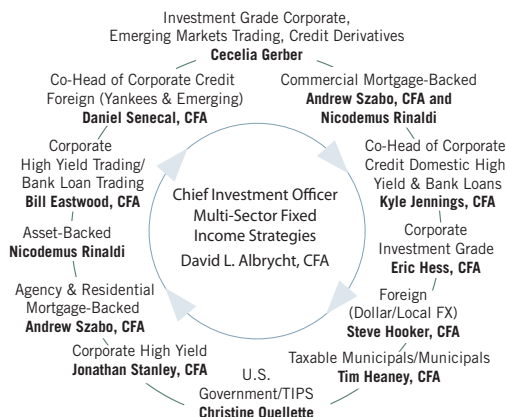
Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic and market risk. Investing in high yield bonds may subject the portfolio to greater credit and market risks. As interest rates rise, existing bond prices fall and can cause the value of an investment in the portfolio to decline. Changes in interest rates will affect the value of longer-term fixed income securities more than shorter-term securities. The principal on mortgage- or asset-backed securities may normally be prepaid at any time, which will reduce the yield and market value of these securities.

## INVESTMENT OPPORTUNITY

The portfolio seeks to generate high current income and total return by applying extensive credit research and a time-tested approach to capitalize on opportunities across undervalued sectors of the bond market.

The portfolio seeks diversification among 14 sectors in order to potentially increase return and manage risk.

## INVESTMENT PROCESS



## ANNUALIZED PERFORMANCE as of 03/30/2012 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 12/31/1982
Series	6.00	6.00	5.96	18.59	7.91	8.03	8.84
Index	0.30	0.30	7.71	6.83	6.25	5.80	8.17

*QTD, YTD and 1 Year performance is not annualized.*

*Operating expenses are 0.75% and gross operating expenses are 0.99%.*

*Operating expenses reflect a contractual expense reimbursement in effect through 11/30/2012.*

*Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains.*

## ANNUAL PERFORMANCE in percent

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Series	10.00	14.58	6.84	1.78	6.84	3.71	-17.93	40.13	14.36	2.99
Index	10.26	4.10	4.34	2.43	4.33	6.97	5.24	5.93	6.54	7.84

*Index: The Barclays Capital U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total return basis. The index is unmanaged and not available for direct investment.*

*Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

Ratings Distribution	% Series	Sector Allocations	% Series
Aaa	15.32	Corporate - High Yield	27.47
Aa	2.85	Corporate - High Quality	21.39
A	9.71	Bank Loans	14.34
Baa	25.27	Non-Agency Commercial MBS	11.06
Ba	15.18	Non-USD	5.76
B	25.34	Yankee - High Quality	5.43
Caa	3.51	Emerging Market - High Yield	5.33
Ca	0.05	Asset Backed Securities	2.92
C	0.10	Cash	2.35
D	0.00	Non-Agency Residential MBS	1.89
Not Rated	2.65	Taxable Municipals	1.54
		Equity	0.28
		Municipals	0.24

Characteristics	Series
Duration	3.08 years
SEC Yield	6.14%
SEC Yield - Gross	5.94%
Standard Deviation	7.54

## GLOSSARY

**Standard Deviation:** measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

**SEC Yield:** All performance figures reflect a partial waiver of fees where applicable. Without the partial waiver of fees, the performance figures would be lower. The SEC Yield would have been 5.79%.

**Duration:** represents the interest rate sensitivity of a fixed income portfolio. For example, if a portfolio's duration is five years, a 1% increase in interest rates would result in a 5% decline in the portfolio's price. Similarly, a 1% decline in interest rates would result in a 5% gain in the portfolio's price.

*Holdings and Sector weightings are subject to change.*

The investments for the Series are managed by the same portfolio manager(s) who manage one or more other funds that have similar names, investment objectives and investment styles as the Series. You should be aware that the Series is likely to differ from the other mutual funds in size, cash flow pattern and tax matters. Accordingly, the holdings and performance of the Series can be expected to vary from those of the other mutual funds.

Shares of the separate Series of Virtus Variable Insurance Trust are sold only through the currently effective prospectuses and are not available to the general public. Shares of the VIT Series may be purchased only by life insurance companies to be used with their separate accounts which fund variable annuity and variable life insurance policies or qualified retirement plans and are also available as an underlying investment fund for certain qualified retirement plans. The performance information for the Series does not reflect fees and expenses of the insurance companies. If such fees and expenses were deducted, performance would be lower.

*Please carefully consider the investment objectives, risks, charges, and expenses of the Series before investing. For this and other information about any Virtus Variable Insurance Trust Series, call 1-800-367-5877 or visit [Virtus.com](http://Virtus.com) for a prospectus. Read it carefully before you invest or send money.*

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