

# Virtus Premium AlphaSector™ Series



## VIRTUS VARIABLE INSURANCE TRUST

CUSIP 92829L885

### Investment Adviser

Virtus Investment Advisers, Inc.

### Investment Subadviser

F-Squared Institutional Advisors

Euclid Advisors LLC

## INVESTMENT MANAGER OF THE SERIES

F-Squared strives to deliver long-term outperformance while attempting to avoid short-term performance disappointments. The firm's innovative business model delivers scalable, transparent investment strategies and customizable capabilities to meet investor needs. F-Squared leverages the trading and operational expertise of Euclid Advisors in the management of the AlphaSector Funds.

## INVESTMENT OPPORTUNITY

The Virtus Premium AlphaSector™ Series was designed to meet the real needs of individual investors by seeking to provide risk controls in down markets and enhanced alpha in up markets.

The Series has an investment objective of long-term capital appreciation and seeks to deliver the returns of the Premium AlphaSector™ Index (ASRP), a public index published by NASDAQ.

ASRP strives to outperform the S&P 500® Index with lower volatility, low beta, and low correlation.

The Index has the flexibility to invest in any combination of the nine sector ETFs, a combination of sector ETFs and short-term Treasuries, or 100% in short-term Treasuries.

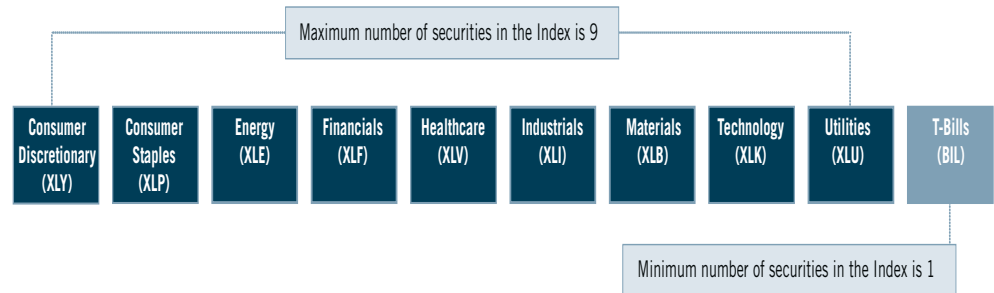
ASRP is comprised of the nine Select Sector SPDR exchange traded funds (ETFs), which represent the primary sectors of the S&P 500® Index, plus an ETF that represents short-term Treasuries.

The series may also invest in stocks of primarily large-cap issuers. The series may invest in a basket of securities to represent a sector if it determines that investment in the ETF for that sector is not feasible or otherwise not in the best interest of the series.

## PREMIUM ALPHASECTOR™ INDEX (ASRP)

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> ASRP is comprised of the nine Select Sector SPDR exchange traded funds (ETFs), which represent the primary sectors of the S&P 500® Index, plus an ETF that represents short-term Treasuries.



> Utilizes a proprietary quantitative model that seeks to evaluate “true” price trends within each sector, while eliminating market noise.<sup>1</sup> The model features an innovative, dynamic volatility factor that heightens the sensitivity of the model signals in periods of rising or high volatility.

> Index sectors are equally weighted, with a maximum allocation of 25% per sector at time of rebalancing.

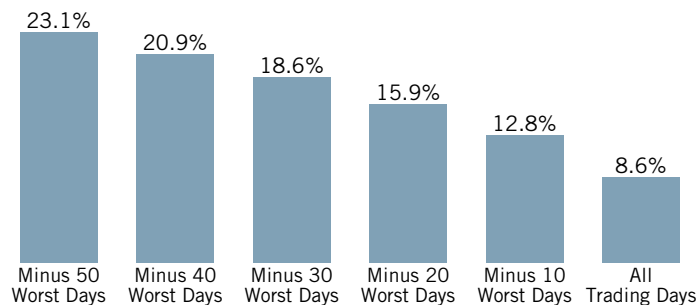
> When three or fewer sectors are represented, the remainder of the Index is allocated to cash equivalents, up to 100%.

> Uses a binary model for determining sector allocations on a weekly basis, with sectors either included in the portfolio or entirely excluded.

<sup>1</sup>Market noise represents all of the price data that distorts the picture of the underlying trend.

## Avoiding Losses – S&P 500® Index Annualized Returns

5040 Trading Days from 04/01/92 – 03/30/12



*Past performance is no indication of future results. The chart does not reflect the performance of the Virtus Premium AlphaSector™ Fund. The chart depicts the effect on performance of being out of the market, as represented by the S&P 500 Index, on the days of the Index's worst performance. The Virtus Premium AlphaSector™ Fund tactically allocates among the sectors of the S&P 500 Index with the objective of avoiding exposure when market performance is at its most negative and volatile.*

**ANNUALIZED PERFORMANCE** as of 03/31/2012 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 02/14/2011
Series	7.93	7.93	2.90	n/a	n/a	n/a	2.75
Index	12.59	12.59	8.54	n/a	n/a	n/a	7.34

QTD, YTD and 1 Year performance is not annualized.

Operating expenses are 1.92% and gross operating expenses are 5.00%.  
Operating expenses reflect a contractual expense reimbursement in effect through 4/30/2012.

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

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.

**ANNUAL PERFORMANCE** in percent

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Series	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Index	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Index: The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged and not available for direct investment.

**IMPORTANT RISK CONSIDERATIONS:**

Lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. Sector ETFs are subject to sector risks and non-diversification risks, which may result in greater price fluctuations than the overall market. Because the fund invests in ETFs, it indirectly bears its proportionate share of the operating expenses of the underlying funds. Indirectly, the fund is subject to all risks associated with the underlying ETFs. The guarantee on U.S. government securities applies only to the underlying securities of the portfolio, and not to the value of the portfolio's shares. A portfolio that holds a limited number of securities will be impacted by each security's performance more than a portfolio with a larger number of holdings. Asset allocation does not guarantee a profit or protect against a loss in declining markets. Actual performance will depend on the ability of the asset allocation model in determining asset class allocations and the performance of the underlying market sectors. The proportions allocated to each market sector may cause a portfolio to underperform relevant benchmarks or other investments with a similar objective.

**GLOSSARY**

**Alpha:** the excess return of the portfolio relative to the return of the benchmark index.

**Beta:** A quantitative measure of the volatility of a given portfolio to the overall market. Higher beta suggests higher volatility.

**Correlation Coefficient:** a measure that determines the degree to which two variables' movements are associated. The correlation coefficient will vary from -1 to +1. A-1 indicates perfect negative correlation and +1 indicates perfect positive correlation.

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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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