



VIRTUS VARIABLE INSURANCE TRUST
SEMIANNUAL REPORT

Virtus Capital Growth Series*
Virtus Growth & Income Series
Virtus International Series
Virtus Multi-Sector Fixed Income Series*
Virtus Premium AlphaSectorSM Series
Virtus Real Estate Securities Series
Virtus Small-Cap Growth Series
Virtus Small-Cap Value Series
Virtus Strategic Allocation Series*

* *Prospectus Supplements applicable to these Series appear at the back of this Semiannual Report.*

The Semiannual Report describes one or more Series available for underlying investment through your variable contract. For information about your variable contract, including information about insurance-related expenses, see the prospectus for your variable contract.

June 30, 2011

**Not FDIC Insured
No Bank Guarantee
May Lose Value**

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Proxy Voting Procedures and Voting Record (Form N-PX)

The adviser and subadvisers vote proxies relating to portfolio securities in accordance with procedures that have been approved by the Trustees of the Trust (“Trustees,” the “Board”). You may obtain a description of these procedures, along with information regarding how the Series voted proxies during the most recent 12-month period ended June 30, free of charge, by calling toll-free 800-367-5877. This information is also available through the Securities and Exchange Commission’s (the “SEC”) website at <http://www.sec.gov>.

Form N-Q Information

The Fund files a complete schedule of portfolio holdings for each Series with the SEC for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC’s website at <http://www.sec.gov>. Form N-Q may be reviewed and copied at the SEC’s Public Reference Room. Information on the operation of the SEC’s Public Reference Room can be obtained by calling toll-free 1-800-SEC-0330.

MESSAGE TO SHAREHOLDERS

Dear Variable Product Investor:

For the six months ended June 30, 2011, the capital markets enjoyed relatively strong performance until weaker economic and labor data pushed markets lower beginning in early May. A late rally at the end of June, largely triggered by positive corporate earnings and surprise manufacturing growth, helped restore some of the gains lost earlier in the period.

Several global challenges contributed to the volatility, among them rising oil and commodity prices; industrial supply disruptions, especially in the technology and automotive industries, in the aftermath of Japan's March earthquake; and the continued fear of a Greek default in the latest chapter of the European sovereign debt crisis. Closer to home, the Federal Reserve's second quantitative easing initiative ("QE2"), which had stimulated the U.S. economy since the fall of 2010, ended on June 30. In its wake, market uncertainty returned, along with worries about the growing U.S. deficit.

World stock markets, in particular, experienced the greatest volatility during the latter part of the period. The S&P 500® Index, a broad measure of U.S. equities, gained 6.02 percent for the six months ended June 30, 2011, with most of the gain coming in the first quarter. Similarly, the MSCI EAFE® Index (net), a benchmark for international equities, gained 4.98 percent for the first six months of the year, but just 1.56 percent coming in the second quarter.

In contrast, fixed income markets experienced stronger performance in the second quarter as interest rates declined and bond prices inched up. The Barclays Capital U.S. Aggregate Bond Index, a metric for taxable bond returns, rose 2.72 percent for the six months, with most of that gain in the second quarter. Over the same six-month period, the 10-year Treasury yield rose to a high of 3.73 percent in February, but gradually slid to end at 3.16 percent as demand for these safe-haven assets increased on investor skittishness.

Portfolio diversification takes on added importance during times of market uncertainty. While diversification cannot guarantee a profit or prevent loss, owning a variety of asset classes can help cushion your overall portfolio against market volatility. We encourage you to speak with your financial adviser, who can work with you to ensure that your variable product portfolio is adequately diversified.

Thank you for choosing to invest with Virtus. Our investment team is committed to your financial success.

Sincerely,



George R. Aylward
President, Virtus Variable Insurance Trust

August 2011

Variable insurance products are sold by prospectus. You should carefully consider investment objectives, charges, expenses and risks before you invest. The contract prospectuses and underlying Series prospectuses contain this and other important information about the variable insurance product. You may obtain contract prospectuses from your registered representative. You may obtain Series prospectuses by contacting us at 1-800-367-5877 or Virtus.com. Please read the prospectuses carefully before you invest.

KEY INVESTMENT TERMS

ADR (American Depositary Receipt)

Represents shares of foreign companies traded in U.S. dollars on U.S. exchanges that are held by a U.S. bank or trust. Foreign companies use ADRs in order to make it easier for Americans to buy their shares. An ADR is likely to be traded over the counter.

ETF (Exchange-Traded Fund)

A Fund that tracks an index, but can be traded like a stock.

PIK (Payment-in-Kind)

A bond which pays interest in the form of additional bonds, or preferred stock which pays dividends in the form of additional preferred stock.

Quantitative Easing (“QE2”)

A government monetary policy occasionally used to increase the money supply by buying government securities or other securities from the market. Quantitative easing increases the money supply by flooding financial institutions with capital in an effort to promote increased lending and liquidity.

REIT (Real Estate Investment Trust)

A publicly traded company that owns, develops and operates income-producing real estate such as apartments, office buildings, hotels, shopping centers and other commercial properties.

Sponsored ADR (American Depositary Receipt)

An ADR which is issued with the cooperation of the company whose stock will underlie the ADR. Sponsored ADRs generally carry the same rights normally given to stockholders, such as voting rights. ADRs must be sponsored to be able to trade on a major U.S. exchange such as the New York Stock Exchange.

VIRTUS VARIABLE INSURANCE TRUST
Disclosure of Fund Expenses (Unaudited)
For the six-month period of January 1, 2011 to June 30, 2011

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of Virtus Variable Insurance Trust Series (each a "Series"), you incur ongoing costs including investment advisory fees and other expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in a Series and to compare these costs with the ongoing costs of investing in other mutual funds. These examples are based on an investment of \$1,000 invested at the beginning of the period and held for the entire six-month period. The following Expense Table illustrates your Series' costs in two ways.

Actual Expenses

This section of the accompanying table provides information about actual account values and actual expenses. You may use the information in this line, 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 first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period. The expense estimate does not include the fees or expenses associated with the separate insurance accounts, and if such charges were included, your costs would have been higher.

Hypothetical Example for Comparison Purposes

This section of the accompanying table provides information about hypothetical account values and hypothetical expenses based on the Series' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Series' actual return. 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 your Series and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the accompanying table are meant to highlight your ongoing costs only and do not reflect additional fees and expenses associated with the annuity or life insurance policy through which you invest. Therefore, this section of the accompanying table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if the annuity or life insurance policy costs were included, your costs would have been higher. 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.

Expense Table

	Beginning Account Value January 1, 2011	Ending Account Value June 30, 2011	Annualized Expense Ratio	Expenses Paid During Period*
Capital Growth Series				
Actual	\$1,000.00	\$1,060.50	0.95%	\$4.85
Hypothetical (5% return before expenses)	1,000.00	1,020.03	0.95	4.77
Growth & Income Series				
Actual	\$1,000.00	\$1,065.40	0.90%	\$4.61
Hypothetical (5% return before expenses)	1,000.00	1,020.28	0.90	4.52
International Series				
Actual	\$1,000.00	\$1,047.60	1.03%	\$5.23
Hypothetical (5% return before expenses)	1,000.00	1,019.62	1.03	5.17
Multi-Sector Fixed Income Series				
Actual	\$1,000.00	\$1,047.20	0.75%	\$3.81
Hypothetical (5% return before expenses)	1,000.00	1,021.03	0.75	3.77
Premium AlphaSectorSM Series†				
Actual	\$1,000.00	\$1,005.90	1.70%	\$8.46
Hypothetical (5% return before expenses)	1,000.00	1,016.26	1.70	8.53
Hypothetical (5% return before expenses since inception)	1,000.00	1,012.15	1.70	6.35
Real Estate Securities Series				
Actual	\$1,000.00	\$1,112.60	1.10%	\$5.76
Hypothetical (5% return before expenses)	1,000.00	1,019.27	1.10	5.52
Small-Cap Growth Series				
Actual	\$1,000.00	\$1,184.30	1.05%	\$5.69
Hypothetical (5% return before expenses)	1,000.00	1,019.52	1.05	5.27
Small-Cap Value Series				
Actual	\$1,000.00	\$1,124.10	1.30%	\$6.85
Hypothetical (5% return before expenses)	1,000.00	1,018.27	1.30	6.53
Strategic Allocation Series				
Actual	\$1,000.00	\$1,056.70	0.85%	\$4.33
Hypothetical (5% return before expenses)	1,000.00	1,020.53	0.85	4.27

* Expenses are equal to the relevant Series' annualized expense ratio which includes waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (181) expenses were accrued in the most recent fiscal half-year, then divided by 365 days to reflect the one-half year period. Exceptions noted below.

† Inception date is February 14, 2011. Expenses are equal to the Series' annualized expense ratio, which includes waived fees and reimbursed expenses, if applicable, multiplied by the number of days (136) expenses were accrued, then divided by 365 days to reflect the period since inception.

The Series may invest in other funds, and the annualized expense ratios noted above do not reflect fees and expenses associated with the underlying funds. If such fees and expenses had been included, the expenses would have been higher.

You can find more information about the Series' expenses in the Financial Statements section that follows. For additional information on operating expenses and other shareholder costs, including contractual charges associated with the separate account, refer to the Series prospectus and the contract prospectus.

VIRTUS VARIABLE INSURANCE TRUST
Portfolio Holdings Summary Weightings
June 30, 2011 (Unaudited) (Continued)

Capital Growth Series

Information Technology	33%
Industrials	14
Energy	13
Consumer Discretionary	10
Health Care	9
Consumer Staples	8
Materials	7
Other (includes short-term investments)	<u>6</u>
Total	<u>100%</u>

Growth & Income Series

Energy	17%
Industrials	17
Information Technology	17
Consumer Discretionary	13
Materials	13
Health Care	8
Financials	6
Other (includes short-term investments)	<u>9</u>
Total	<u>100%</u>

International Series

Financials	25%
Information Technology	13
Energy	12
Health Care	12
Consumer Staples	11
Telecommunication Services	9
Industrials	8
Other (includes short-term investments)	<u>10</u>
Total	<u>100%</u>

Multi-Sector Fixed Income Series

Corporate Bonds	50%
Financials	19%
Energy	9
Consumer Discretionary	5
Total of all others	17
Mortgage-Backed Securities	17
Loan Agreements	15
Foreign Government Securities	12
Other (includes short-term investments)	<u>6</u>
Total	<u>100%</u>

Premium AlphaSectorSM Series

Exchange-Traded Funds	94%
Other (includes short-term investments)	<u>6</u>
Total	<u>100%</u>

Real Estate Securities Series

Apartments	17%
Regional Malls	17
Office	15
Health Care	9
Lodging/Resorts	8
Self Storage	8
Shopping Centers	8
Diversified	7
Other (includes short-term investments)	<u>11</u>
Total	<u>100%</u>

Small-Cap Growth Series

Health Care	26%
Information Technology	26
Industrials	17
Consumer Discretionary	15
Consumer Staples	8
Financials	5
Other (includes short-term investments)	<u>3</u>
Total	<u>100%</u>

Small-Cap Value Series

Financials	22%
Industrials	22
Consumer Discretionary	13
Information Technology	12
Energy	10
Health Care	10
Consumer Staples	5
Other (includes short-term investments)	<u>6</u>
Total	<u>100%</u>

Strategic Allocation Series

Common Stocks	58%
Energy	10%
Industrials	10
Information Technology	10
Total of all others	28
Corporate Bonds	20
Financials	10%
Industrials	3
Energy	2
Total of all others	5
Mortgage-Backed Securities	13
Municipal Bonds	3
Asset-Backed Securities	1
Foreign Government Securities	1
Other (includes short-term investments)	<u>4</u>
Total	<u>100%</u>

VIRTUS GROWTH & INCOME SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
COMMON STOCKS—97.6%					
Consumer Discretionary—13.1%					
Amazon.com, Inc. ⁽²⁾	18,000	\$ 3,681			
AutoZone, Inc. ⁽²⁾	12,200	3,597			
Comcast Corp. Class A	152,000	3,852			
Darden Restaurants, Inc.	75,000	3,732			
Lululemon Athletica, Inc. ⁽²⁾	42,000	4,696			
McDonald's Corp.	46,000	3,879			
		<u>23,437</u>			
Consumer Staples—4.3%					
Altria Group, Inc.	147,000	3,882			
PepsiCo, Inc.	55,000	3,874			
		<u>7,756</u>			
Energy—16.8%					
Alpha Natural Resources, Inc. ⁽²⁾	70,000	3,181			
Chesapeake Energy Corp.	105,000	3,117			
Chevron Corp.	33,000	3,394			
ConocoPhillips	47,000	3,534			
El Paso Corp.	170,000	3,434			
Halliburton Co.	72,000	3,672			
Occidental Petroleum Corp.	32,000	3,329			
Petroleo Brasileiro S.A. ADR	90,000	3,047			
Williams Cos., Inc. (The)	115,000	3,479			
		<u>30,187</u>			
Financials—5.5%					
Bank of America Corp.	320,000	3,507			
Citigroup, Inc.	88,000	3,664			
Goldman Sachs Group, Inc. (The)	21,000	2,795			
		<u>9,966</u>			
Health Care—8.4%					
Abbott Laboratories	72,000	3,789			
Biogen Idec, Inc. ⁽²⁾	37,000	3,956			
Gilead Sciences, Inc. ⁽²⁾	90,000	3,727			
UnitedHealth Group, Inc.	69,000	3,559			
		<u>15,031</u>			
Industrials—16.8%					
Alaska Air Group, Inc. ⁽²⁾	60,000	4,107			
Caterpillar, Inc.	34,000	3,620			
Cummins, Inc.	37,000	3,829			
Deere & Co.	42,000	3,463			
Foster Wheeler AG ⁽²⁾	107,000	3,251			
L-3 Communications Holdings, Inc.	51,000	4,460			
Union Pacific Corp.	39,000	4,072			
United Continental Holdings, Inc. ⁽²⁾	150,000	3,394			
		<u>30,196</u>			
Information Technology—17.1%					
Amkor Technology, Inc. ⁽²⁾	453,522	\$ 2,798			
Apple, Inc. ⁽²⁾	16,100	5,404			
Corning, Inc.	204,000	3,703			
Intel Corp.	171,000	3,789			
International Business Machines Corp.	21,000	3,603			
QUALCOMM, Inc.	75,000	4,259			
SanDisk Corp. ⁽²⁾	75,000	3,113			
Visa, Inc. Class A	47,000	3,960			
		<u>30,629</u>			
Materials—13.4%					
Alcoa, Inc.	170,000	2,696			
Cliffs Natural Resources, Inc.	41,000	3,790			
du Pont (E.I.) de Nemours & Co.	71,000	3,838			
Freeport-McMoRan Copper & Gold, Inc.	62,000	3,280			
Monsanto Co.	52,000	3,772			
Nucor Corp.	66,000	2,721			
Potash Corp. of Saskatchewan, Inc.	69,000	3,932			
		<u>24,029</u>			
Telecommunication Services—2.2%					
Verizon Communications, Inc.	107,000	3,984			
TOTAL COMMON STOCKS (Identified Cost \$132,734) 175,215					
EXCHANGE-TRADED FUNDS—1.8%					
Consumer Staples Select Sector SPDR Fund	24,722	772			
Health Care Select Sector SPDR Fund	69,000	2,451			
TOTAL EXCHANGE-TRADED FUNDS (Identified Cost \$3,217) 3,223					
TOTAL LONG-TERM INVESTMENTS—99.4% (Identified Cost \$135,951) 178,438					
SHORT-TERM INVESTMENTS—0.9%					
Money Market Mutual Funds—0.9%					
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	1,588,370	1,588			
TOTAL SHORT-TERM INVESTMENTS (Identified Cost \$1,588) 1,588					
TOTAL INVESTMENTS—100.3% (Identified Cost \$137,539) 180,026⁽¹⁾					
Other assets and liabilities, net—(0.3)%		(501)			
NET ASSETS—100.0% \$179,525					

Country Weightings†

United States (includes short-term investments)	92%
Canada	5
Switzerland	2
Brazil	1
Total	100%

† % of total investments as of June 30, 2011

Abbreviations:

ADR American Depositary Receipt
 SPDR S&P Depositary Receipt

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices
Investments in Securities:		
Equity Securities:		
Common Stocks	\$175,215	\$175,215
Exchange-Traded Funds	3,223	3,223
Short-Term Investments	1,588	1,588
Total Investments	\$180,026	\$180,026

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS INTERNATIONAL SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
PREFERRED STOCK—3.4%		
Information Technology—3.4%		
Samsung Electronics Co., Ltd. 1.470%	25,100	\$ 13,165
TOTAL PREFERRED STOCK (Identified Cost \$4,915)		13,165
COMMON STOCKS—95.4%		
Consumer Discretionary—1.6%		
adidas AG (Germany)	79,400	6,298
Consumer Staples—11.1%		
British American Tobacco (United Kingdom)	337,200	14,780
Casino Guichard Perrachon S.A. (France)	78,700	7,418
Fomento Economico Mexicano S.A.B. de C.V. Sponsored ADR (Mexico)	71,400	4,747
Metro AG (Germany)	80,900	4,903
Nestle S.A. Registered Shares (Switzerland)	186,300	11,578
		43,426
Energy—12.0%		
ENI S.p.A. (Italy)	498,600	11,793
PetroChina Co., Ltd. Class H (China)	5,280,000	7,721
Petroleo Brasileiro SA Sponsored ADR (Brazil)	273,300	8,385
Royal Dutch Shell plc B Shares (United Kingdom)	219,100	7,821
Tenaris S.A. Sponsored ADR (Italy)	242,500	11,089
		46,809
Financials—24.9%		
Banco Bradesco SA Sponsored ADR (Brazil)	628,400	12,876
City Developments Ltd. (Singapore)	791,000	6,697
Daito Trust Construction Co., Ltd. (Japan)	71,800	6,074
HSBC Holdings plc (United Kingdom)	395,037	3,921
Mapfre SA (Spain)	1,045,000	3,879
Nordea Bank AB (Sweden)	731,700	7,866
Oversea-Chinese Banking Corp., Ltd. (Singapore)	1,034,330	7,882
QBE Insurance Group Ltd. (Australia)	849,800	15,723
Standard Chartered plc (United Kingdom)	429,412	11,289
Swire Pacific Ltd. Class B (Hong Kong)	2,842,500	8,109
Zurich Financial Services AG (Switzerland)	51,200	12,947
		97,263

	SHARES	VALUE
Health Care—12.0%		
Novartis AG Registered Shares (Switzerland)	253,500	\$ 15,528
Roche Holding AG (Switzerland)	103,700	17,354
Takeda Pharmaceutical Co., Ltd. (Japan)	304,200	14,038
		46,920
Industrials—7.8%		
Canadian National Railway Co. (Canada)	104,000	8,318
FANUC Ltd. (Japan)	38,400	6,382
Koninklijke Philips Electronics N.V. (Netherlands)	239,044	6,139
Schneider Electric SA (France)	35,100	5,864
Weir Group plc (The) (United Kingdom)	116,200	3,967
		30,670
Information Technology—9.7%		
Canon, Inc. (Japan)	266,450	12,610
Taiwan Semiconductor Manufacturing Co., Ltd., Sponsored ADR (Taiwan)	1,293,700	16,313
Telefonaktiebolaget LM Ericsson Class B (Sweden)	623,200	8,986
		37,909
Materials—5.2%		
BHP Billiton plc (United Kingdom)	111,300	4,380
Rio Tinto plc (United Kingdom)	114,700	8,267
Shin-Etsu Chemical Co., Ltd. (Japan)	146,500	7,816
		20,463
Telecommunication Services—8.5%		
China Mobile Ltd. (China)	853,500	7,897
Singapore Telecommunications Ltd. (Singapore)	3,109,000	7,999
Vodafone Group plc (United Kingdom)	6,605,800	17,525
		33,421
Utilities—2.6%		
Centrica plc (United Kingdom)	1,991,300	10,333
TOTAL COMMON STOCKS (Identified Cost \$256,572)		373,512
TOTAL LONG-TERM INVESTMENTS—98.8% (Identified Cost \$261,487)		386,677

	SHARES	VALUE
SHORT-TERM INVESTMENTS—0.5%		
Money Market Mutual Funds—0.5%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	2,084,305	\$ 2,084
TOTAL SHORT-TERM INVESTMENTS (Identified Cost \$2,084)		2,084
TOTAL INVESTMENTS—99.3% (Identified Cost \$263,571)		388,761⁽¹⁾
Other assets and liabilities, net—0.7%		2,737
NET ASSETS—100.0%		\$391,498

Country Weightings†

United Kingdom	21%
Switzerland	15
Japan	12
Italy	6
Singapore	6
Brazil	5
Sweden	4
Other	31
Total	100%

† % of total investments as of June 30, 2011

Abbreviation:

ADR American Depositary Receipt

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices	Level 2 – Significant Observable Inputs
Investments in Securities:			
Equity Securities:			
Common Stock	\$373,512	\$360,636	\$12,876
Preferred Stock	13,165	13,165	—
Short-Term Investments	2,084	2,084	—
Total Investments	\$388,761	\$375,885	\$12,876

There are no Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS MULTI-SECTOR FIXED INCOME SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Non-Agency—continued			Non-Agency—continued					
JPMorgan Chase Commercial Mortgage Securities Corp. (continued)			Structured Asset Securities Corp. 03-21, 2A2			Ford Credit Floorplan Master Owner Trust 10-3, A1 144A		
05-LDP5, B			5.250%, 8/25/33	\$ 92	\$ 96	4.200%, 2/15/17 ⁽⁴⁾	\$ 200	\$ 215
5.358%, 12/15/44 ⁽³⁾	\$ 500	\$ 472	Timberstar Trust 06-1A, A 144A 5.668%, 10/15/36 ⁽⁴⁾	1,275	1,377	GMAC Mortgage Corp. Loan Trust 06-HE2, A3		
06-LDP7, AM			5.179%, 7/15/42 ⁽³⁾			6.320%, 5/25/36 ⁽³⁾	277	183
5.863%, 4/15/45 ⁽³⁾	780	808	07-C30, A5 5.342%, 12/15/43			06-HE3, A2		
06-LDP9, A3			05-C21, D 5.203%, 10/15/44 ⁽³⁾	100	104	5.750%, 10/25/36 ⁽³⁾	157	103
5.336%, 5/15/47	850	905	05-C22, AM 5.320%, 12/15/44 ⁽³⁾	140	144	Harley-Davidson Motorcycle Trust 07-2, C		
07-LD12, A4			07-C33, A4	1,160	1,262	5.410%, 8/15/15	640	654
5.882%, 2/15/51 ⁽³⁾	1,100	1,196	Washington Mutual Mortgage Pass-Through Certificates			JPMorgan Mortgage Acquisition Corp.		
JPMorgan Mortgage Trust			04-CB1, 5A 5.000%, 6/25/19	60	61	06-CW2, AF3		
05-A1, 4A1			Wells Fargo Mortgage-Backed Securities Trust			5.777%, 8/25/36 ⁽³⁾	225	124
4.780%, 2/25/35 ⁽³⁾	94	92	03-6, 1A1 5.000%, 6/25/18	46	48	Popular ABS Mortgage Pass-Through Trust		
05-A4, 3A1			06-17, A1 5.500%, 11/25/21	28	28	05-5, AF3		
5.138%, 7/25/35 ⁽³⁾	83	79	05-9, 1A6 5.500%, 10/25/35	— ⁽¹⁰⁾	— ⁽¹⁰⁾	5.086%, 11/25/35 ⁽³⁾	492	483
06-A1, B1			06-9, 1A15 6.000%, 8/25/36	29	29	Saxon Asset Securities Trust		
3.711%, 2/25/36 ⁽³⁾	168	6	07-16, 1A7 6.000%, 12/28/37	484	435	06-3 A2 0.296%, 10/25/46 ⁽³⁾	43	40
Lehman Brothers-UBS Commercial Mortgage Trust					32,717	SVO MOI Mortgage Corp.		
04-C7, A6 4.786%, 10/15/29 ⁽³⁾	75	80	TOTAL MORTGAGE-BACKED SECURITIES			10-AA, A 144A		
06-C3, AM 5.712%, 3/15/39 ⁽³⁾	25	25	(Identified Cost \$33,645)		36,481	3.650%, 7/20/27 ⁽⁴⁾	99	100
06-C6, A4 5.372%, 9/15/39	670	729	ASSET-BACKED SECURITIES—2.5%			Tidewater Auto Receivables Trust 10-A, A 144A		
07-C2, A2 5.303%, 2/15/40	211	215	American General Mortgage Loan Trust 09-1, A6 144A			5.920%, 5/15/17 ⁽⁴⁾	68	70
07-C2, A3 5.430%, 2/15/40	115	123	5.750%, 9/25/48 ⁽³⁾⁽⁴⁾	150	152	Wachovia Auto Loan Owner Trust 07-1, D		
07-C2, H 144A			10-1A, A1 144A			5.650%, 2/20/13	100	100
6.211%, 2/15/40 ⁽³⁾⁽⁴⁾	1,400	196	5.150%, 3/25/58 ⁽³⁾⁽⁴⁾	107	110	TOTAL ASSET-BACKED SECURITIES		
05-C3, AM 4.794%, 7/15/40	670	689	AmeriCredit Automobile Receivables Trust			(Identified Cost \$5,543)		5,496
07-C6, A2 5.845%, 7/15/40	149	153	10-1, B 3.720%, 11/17/14	175	180	CORPORATE BONDS AND NOTES—49.0%		
07-C6, A4 5.858%, 7/15/40 ⁽³⁾	350	380	10-1, C 5.190%, 8/17/15	75	80	Consumer Discretionary—5.3%		
07-C7, A3 5.866%, 9/15/45 ⁽³⁾	600	652	Ameriquest Mortgage Securities, Inc. 03-10, AF6			American Axle & Manufacturing Holdings, Inc. 144A		
Lehman Brothers Commercial Conduit Mortgage Trust			4.710%, 11/25/33 ⁽³⁾	78	79	9.250%, 1/15/17 ⁽⁴⁾	260	285
07-C3, A4 6.169%, 7/15/44 ⁽³⁾	400	435	Avis Budget Rental Car Funding/AESOP LLC 09-2A, A 144A 5.680%, 2/20/14 ⁽⁴⁾	175	185	Ameristar Casinos, Inc. 144A		
Merrill Lynch Floating Trust			Bombardier Capital Mortgage Securitization Corp. 99-A, A3			7.500%, 4/15/21 ⁽⁴⁾	575	596
08-LAQA, A1 144A			5.980%, 1/15/18 ⁽³⁾	739	704	Boyd Gaming Corp. 144A		
0.728%, 7/9/21 ⁽³⁾⁽⁴⁾	100	96	Carmax Auto Owner Trust			9.125%, 12/1/18 ⁽⁴⁾	210	215
Merrill Lynch Mortgage Trust			09-2, A4 2.820%, 12/15/14	250	258	Caesar's Entertainment Operating Co., Inc.		
06-C1, AM 5.659%, 5/12/39 ⁽³⁾	110	114	Chase Funding Mortgage Loan Asset-Backed Certificates			12.750%, 4/15/18	80	80
Merrill Lynch-Countrywide Commercial Mortgage Trust			04-1, 1A4 4.111%, 8/25/30	16	15	Cengage Learning Acquisitions, Inc. 144A		
06-3, A4 5.414%, 7/12/46 ⁽³⁾	100	108	CIT Group, Inc. 10-VT1A, B 144A 3.880%, 9/15/13 ⁽⁴⁾	100	103	10.500%, 1/15/15 ⁽⁴⁾	350	318
06-4, A3 5.172%, 12/12/49 ⁽³⁾	1,350	1,439	Conseco Finance Securitizations Corp. 01-3, A4			Chrysler Group LLC/Chrysler Group Co-Issuer, Inc. 144A		
Morgan Stanley Capital I			6.910%, 5/1/33 ⁽³⁾	960	1,014	8.000%, 6/15/19 ⁽⁴⁾	500	494
06-T23, A4 5.821%, 8/12/41 ⁽³⁾	135	151	Conseco Financial Corp. 94-1, A5 7.650%, 4/15/19	129	138	Citadel Broadcasting Corp. 144A		
05-HQ5, A3 5.007%, 1/14/42	935	943	Daimler Chrysler Auto Trust			7.750%, 12/15/18 ⁽⁴⁾	105	112
06-IQ12, A4			08-B, A4A 5.320%, 11/10/14	135	137	CityCenter Holdings LLC/CityCenter Finance Corp. 144A		
5.332%, 12/15/43	1,600	1,729	Ford Credit Auto Owner Trust			7.625%, 1/15/16 ⁽⁴⁾	189	196
07-IQ14, A4			09-E, D 144A			Clear Channel Communications, Inc. 144A		
5.692%, 4/15/49 ⁽³⁾	1,020	1,095	5.530%, 5/15/16 ⁽⁴⁾	250	269	9.000%, 3/1/21 ⁽⁴⁾	500	481
Prudential Commercial Mortgage Trust 03-PWR1, D 144A						Dana Holding Corp.		
4.775%, 2/11/36 ⁽⁴⁾	50	50				6.500%, 2/15/19	65	65
RAAC 05-SP1, 2A2						Delphi Corp. 144A		
5.250%, 9/25/34	22	22				5.875%, 5/15/19 ⁽⁴⁾	125	123
Residential Accredit Loans, Inc. 03-QS6, A4 4.250%, 3/25/33	123	126						
Residential Asset Mortgage Products, Inc. 04-SL1, A8								
6.500%, 11/25/31	83	84						
Residential Asset Securitization Trust 04-A4, A5								
5.500%, 8/25/34	65	65						
Residential Funding Mortgage Securities I, Inc. 06-S4, A2								
6.000%, 4/25/36	76	70						

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(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Consumer Discretionary—continued			Consumer Discretionary—continued			Energy—continued		
DigitalGlobe, Inc. 10.500%, 5/1/14	\$ 110	\$ 123	United Rentals North America, Inc. 10.875%, 6/15/16	\$ 280	\$ 315	Antero Resources Finance Corp. 9.375%, 12/1/17	\$ 250	\$ 270
Dunkin Finance Corp. 144A 9.625%, 12/1/18 ⁽⁴⁾	282	286	Universal City Development Partners Ltd./Universal City Development Partners Finance, Inc. 8.875%, 11/15/15	55	61	Calumet Specialty Products Partners LP/Calumet Finance Corp. 144A 9.375%, 5/1/19 ⁽⁴⁾	213	220
Gap, Inc. (The) 5.950%, 4/12/21	300	288	10.875%, 11/15/16	150	179	Carrizo Oil & Gas, Inc. 8.625%, 10/15/18	215	223
Gateway Casinos & Entertainment Ltd. 144A 8.875%, 11/15/17 ⁽⁴⁾	160 ^{CAD}	175	Univision Communications, Inc. 144A 7.875%, 11/1/20 ⁽⁴⁾	100	103	Cloud Peak Energy Resources LLC/Cloud Peak Energy Finance Corp. 8.250%, 12/15/17	80	86
HOA Restaurant Group LLC/HOA Finance Corp. 144A 11.250%, 4/1/17 ⁽⁴⁾	250	252	Videotron Ltee 9.125%, 4/15/18	83	93	Coffeyville Resources Inc. LLC/Coffeyville Finance, Inc., 144A 10.875%, 4/1/17 ⁽⁴⁾	500	570
International Game Technology 7.500%, 6/15/19	160	183	Wyndham Worldwide Corp. 5.750%, 2/1/18	15	16	Energy Partners Ltd. 144A 8.250%, 2/15/18 ⁽⁴⁾	500	473
5.500%, 6/15/20	125	128	7.375%, 3/1/20	395	439	Energy Transfer Equity LP 7.500%, 10/15/20	70	75
inVentiv Health, Inc. 144A 10.000%, 8/15/18 ⁽⁴⁾	330	324	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp. 7.875%, 11/1/17	450	492	Energy XXI Gulf Coast, Inc. 144A 9.250%, 12/15/17 ⁽⁴⁾	500	534
Isle of Capri Casinos, Inc. 7.000%, 3/1/14	350	349			<u>11,706</u>	Expro Finance Luxembourg SCA 144A 8.500%, 12/15/16 ⁽⁴⁾	730	708
Landry's Holdings, Inc. 144A 11.500%, 6/1/14 ⁽⁴⁾	275	276	Consumer Staples—1.4%			Frontier Oil Corp. 6.875%, 11/15/18	195	207
Landry's Restaurants, Inc. 11.625%, 12/1/15	140	151	American Achievement Corp. 144A 10.875%, 4/15/16 ⁽⁴⁾	335	303	Gazprom International SA 144A 7.201%, 2/1/20 ⁽⁴⁾	518	575
Marina District Finance Co., Inc. 144A 9.500%, 10/15/15 ⁽⁴⁾	325	340	Bumble Bee Acquisition Corp. 144A 9.000%, 12/15/17 ⁽⁴⁾	75	76	Gazprom OAO (Gaz Capital SA) 144A 6.212%, 11/22/16 ⁽⁴⁾	1,890	2,041
McJunkin Red Man Corp. 144A 9.500%, 12/15/16 ⁽⁴⁾	50	51	Bunge Ltd. Finance Corp. 8.500%, 6/15/19	250	305	144A 8.146%, 4/11/18 ⁽⁴⁾	145	171
Mediacom LLC/Mediacom Capital Corp. 9.125%, 8/15/19	250	265	Cencosud SA 144A 5.500%, 1/20/21 ⁽⁴⁾	450	452	144A 6.510%, 3/7/22 ⁽⁴⁾	520	551
MGM Resorts International, Inc. 10.375%, 5/15/14	3	3	Constellation Brands, Inc. 8.375%, 12/15/14	280	320	Helix Energy Solutions Group, Inc. 144A 9.500%, 1/15/16 ⁽⁴⁾	413	427
7.625%, 1/15/17	350	339	Dean Holding Co. 6.900%, 10/15/17	50	49	Hercules Offshore, Inc. 144A 10.500%, 10/15/17 ⁽⁴⁾	375	394
11.125%, 11/15/17	275	316	Michael Foods, Inc. 144A 9.750%, 7/15/18 ⁽⁴⁾	225	242	Hilcorp Energy I LP/Hilcorp Finance Co. 144A 7.750%, 11/1/15 ⁽⁴⁾	625	647
Mobile Mini, Inc. 6.875%, 5/1/15	270	276	Pilgrim's Pride Corp. 144A 7.875%, 12/15/18 ⁽⁴⁾	500	465	KazMunaiGaz Finance Sub BV 144A 8.375%, 7/2/13 ⁽⁴⁾	100	109
Needle Merger Sub Corp. 144A 8.125%, 3/15/19 ⁽⁴⁾	500	506	Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer 144A 9.000%, 4/15/19 ⁽⁴⁾	135	134	Linn Energy LLC/Linn Energy Finance Corp. 144A 6.500%, 5/15/19 ⁽⁴⁾	112	111
Ono Finance II plc 144A 10.875%, 7/15/19 ⁽⁴⁾	150	160	Rite Aid Corp. 8.000%, 8/15/20	110	119	Lukoil International Finance BV 144A 6.375%, 11/5/14 ⁽⁴⁾	100	110
Pittsburgh Glass Works LLC 144A 8.500%, 4/15/16 ⁽⁴⁾	200	206	SABMiller plc 144A 6.625%, 8/15/33 ⁽⁴⁾	75	84	144A 7.250%, 11/5/19 ⁽⁴⁾	300	333
Polymer Group, Inc. 144A 7.750%, 2/1/19 ⁽⁴⁾	92	93	Tyson Foods, Inc. 10.500%, 3/1/14	60	72	MIE Holdings Corp. 144A 9.750%, 5/12/16 ⁽⁴⁾	285	282
Production Resource Group, Inc. 144A 8.875%, 5/1/19 ⁽⁴⁾	250	249	Yankee Candles Co. Holdings LLC/Yankee Finance, Inc. PIK 144A 10.250%, 2/15/16 ⁽⁴⁾	455	458	NAK Naftogaz Ukraine 9.500%, 9/30/14	100	110
QVC, Inc. 144A 7.125%, 4/15/17 ⁽⁴⁾	50	53			<u>3,079</u>	OPTI Canada, Inc. 7.875%, 12/15/14 ⁽²⁾⁽¹³⁾	400	166
144A 7.500%, 10/1/19 ⁽⁴⁾	570	607	Energy—8.3%			Petrohawk Energy Corp. 10.500%, 8/1/14	1,000	1,130
Royal Caribbean Cruises Ltd. 7.000%, 6/15/13	50	54	Afren plc 144A 11.500%, 2/1/16 ⁽⁴⁾	475	525	Petroleos de Venezuela SA 5.250%, 4/12/17	2,000	1,260
Scientific Games International, Inc. 9.250%, 6/15/19	260	282	Alta Mesa Holdings LP/Alta Mesa Finance Services Corp. 144A 9.625%, 10/15/18 ⁽⁴⁾	500	502	Petroplus Finance Ltd. 144A 6.750%, 5/1/14 ⁽⁴⁾	500	493
Seminole Hard Rock Entertainment, Inc./Seminole Hard Rock International LLC 144A 2.747%, 3/15/14 ⁽³⁾⁽⁴⁾	150	141	Anadarko Petroleum Corp. 8.700%, 3/15/19	75	96	Pioneer Drilling Co. 9.875%, 3/15/18	125	134
Seneca Gaming Corp. 144A 8.250%, 12/1/18 ⁽⁴⁾	55	57				Pride International, Inc. 8.500%, 6/15/19	605	762
Toys "R" Us Property Co., LLC 8.500%, 12/1/17	400	420						
TRW Automotive, Inc. 144A 8.875%, 12/1/17 ⁽⁴⁾	80	90						

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	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Energy—continued			Financials—continued			Financials—continued		
Rowan Cos., Inc. 5.000%, 9/1/17	\$ 65	\$ 70	BBVA Bancomer SA 144A 6.500%, 3/10/21 ⁽⁴⁾	\$ 425	\$ 434	ICICI Bank Ltd. 144A 5.750%, 11/16/20 ⁽⁴⁾	\$ 325	\$ 320
SEACOR Holdings, Inc. 7.375%, 10/1/19	50	55	Berkley (W.R.) Corp. 5.875%, 2/15/13	75	79	144A 6.375%, 4/30/22 ⁽³⁾⁽⁴⁾	625	609
SESI LLC 144A 6.375%, 5/1/19 ⁽⁴⁾	126	125	Blackstone Holdings Finance Co., LLC 144A 6.625%, 8/15/19 ⁽⁴⁾	340	366	ING Bank NV 144A 5.000%, 6/9/21 ⁽⁴⁾	400	396
Swift Energy Co. 8.875%, 1/15/20	500	537	Brandywine Operating Partnership LP 7.500%, 5/15/15	70	80	International Lease Finance Corp. 5.650%, 6/1/14	350	352
TNK-BP Finance SA RegS 6.125%, 3/20/12 ⁽⁵⁾	115	119	Capital One Capital IV 8.875%, 5/15/40 ⁽⁷⁾	400	413	6.250%, 5/15/19	605	592
144A 7.500%, 3/13/13 ⁽⁴⁾	425	463	Chubb Corp. 6.375%, 3/29/67 ⁽³⁾	1,390	1,439	Kazkommerts Bank International BV RegS 8.500%, 4/16/13 ⁽⁵⁾	500	505
Venoco, Inc. 11.500%, 10/1/17	400	436	CIT Group, Inc. 7.000%, 5/1/14	12	12	RegS 8.000%, 11/3/15 ⁽⁵⁾	1,000	982
144A 8.875%, 2/15/19 ⁽⁴⁾	225	226	7.000%, 5/1/15	22	22	Kingsway America, Inc. 7.500%, 2/1/14	125	118
Weatherford International Ltd. 9.625%, 3/1/19	567	732	7.000%, 5/1/16	37	36	Liberty Mutual Group, Inc. 144A 5.750%, 3/15/14 ⁽⁴⁾	200	212
Western Refining, Inc. 144A 10.750%, 6/15/14 ⁽³⁾⁽⁴⁾	65	70	Citigroup, Inc. 4.875%, 5/7/15	750	782	144A 7.000%, 3/15/34 ⁽⁴⁾	150	152
144A 11.250%, 6/15/17 ⁽⁴⁾	935	1,057	5.500%, 2/15/17	525	552	Liberty Mutual Insurance Co. 144A 8.500%, 5/15/25 ⁽⁴⁾	25	29
		18,185	City National Corp. 5.250%, 9/15/20	425	435	Lincoln National Corp. 6.050%, 4/20/67 ⁽³⁾	365	351
Financials—19.1%			Discover Bank 7.000%, 4/15/20	550	611	Lloyds Banking Group Capital No.1 plc 144A 7.875%, 11/1/20 ⁽⁴⁾	400	374
ABH Financial Ltd. (Alfa Markets Ltd.) 144A 8.200%, 6/25/12 ⁽⁴⁾	250	261	DuPont Fabros Technology LP 8.500%, 12/15/17	625	686	Lloyds TSB Bank plc 144A 4.375%, 1/12/15 ⁽⁴⁾	100	102
Agile Property Holdings Ltd. 144A 10.000%, 11/14/16 ⁽⁴⁾	100	106	Equity One, Inc. 6.250%, 12/15/14	40	44	144A 6.500%, 9/14/20 ⁽⁴⁾	600	566
Alfa Invest Ltd. 144A 9.250%, 6/24/13 ⁽⁴⁾	575	622	Fidelity National Financial Services, Inc. 6.600%, 5/15/17	600	633	Macquarie Bank Ltd. 144A 6.625%, 4/7/21 ⁽⁴⁾	750	755
Allstate Corp. 6.125%, 5/15/37 ⁽³⁾	1,390	1,380	Fifth Third Bancorp 4.500%, 6/1/18	305	303	Morgan Stanley 144A 10.090%, 5/3/17 ⁽⁴⁾	1,250 ^{BRL}	789
American General (Springleaf) Finance Corp. 5.400%, 12/1/15	650	598	Fifth Third Capital Trust IV 6.500%, 4/15/37 ⁽³⁾	500	491	National Retail Properties, Inc. 5.500%, 7/15/21	400	391
American International Group, Inc. 8.175%, 5/15/58 ⁽³⁾	650	710	First Horizon National Corp. 5.375%, 12/15/15	50	53	New York Life Insurance Co. 144A 5.875%, 5/15/33 ⁽⁴⁾	100	101
Americo Life, Inc. 144A 7.875%, 5/1/13 ⁽⁴⁾	200	211	First Niagara Financial Group, Inc. 6.750%, 3/19/20	375	413	NYMAGIC, Inc. 6.500%, 3/15/14	150	138
AmSouth Bank N.A. 4.850%, 4/1/13	700	699	First Tennessee Bank N.A. 5.050%, 1/15/15	750	784	OJSC AK Transneft (TransCapitalInvest Ltd.) 144A 5.670%, 3/5/14 ⁽⁴⁾	880	937
Assurant, Inc. 5.625%, 2/15/14	75	80	Ford Motor Credit Co., LLC 8.000%, 6/1/14	735	807	OneAmerica Financial Partners, Inc. 144A 7.000%, 10/15/33 ⁽⁴⁾	175	164
6.750%, 2/15/34	75	75	Genworth Financial, Inc. 5.750%, 6/15/14	485	506	OneBeacon U.S. Holdings, Inc. 5.875%, 5/15/13	62	65
Banco Bradesco SA 144A 5.900%, 1/16/21 ⁽⁴⁾	600	606	6.515%, 5/22/18	440	438	ORIX Corp. 5.000%, 1/12/16	343	356
Banco de Credito del Peru 144A 4.750%, 3/16/16 ⁽⁴⁾	400	396	Glen Meadow Pass-Through Trust 144A 6.505%, 2/12/67 ⁽³⁾⁽⁴⁾	950	843	Prologis LP 7.625%, 8/15/14	75	85
Banco Santander SA 144A 4.500%, 4/6/15 ⁽⁴⁾	300	305	HBOS plc 144A 6.750%, 5/21/18 ⁽⁴⁾	200	192	Prudential Financial, Inc. 8.875%, 6/15/38 ⁽³⁾	550	642
144A 3.750%, 9/22/15 ⁽⁴⁾	100	101	HSBC Bank plc 144A 3.100%, 5/24/16 ⁽⁴⁾	325	323	Realogy Corp. 144A 7.875%, 2/15/19 ⁽⁴⁾	500	498
Unipersonal 144A 3.781%, 10/7/15 ⁽⁴⁾	100	96	Hudson United Bank 7.000%, 5/15/12	80	84	Regions Financial Corp. 7.750%, 11/10/14	225	238
Banco Votorantim SA 144A 7.375%, 1/21/20 ⁽⁴⁾	450	477	Huntington Bancshares, Inc. 7.000%, 12/15/20	280	316	5.750%, 6/15/15	200	197
Bank of America Corp. 5.420%, 3/15/17	600	612	Huntington National Bank (The) 6.600%, 6/15/18	250	278	Resona Bank Ltd. 144A 5.850% ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾	1,250	1,247
Capital Trust XI 6.625%, 5/23/36 ⁽⁷⁾	525	511	Hyundai Capital Services, Inc. 144A 6.000%, 5/5/15 ⁽⁴⁾	100	109	Royal Bank of Scotland Group plc (The) 7.648% ⁽³⁾⁽⁶⁾⁽⁷⁾	450	407
Barclays Bank plc 144A 6.050%, 12/4/17 ⁽⁴⁾	435	461				Royal Bank of Scotland plc (The) 4.875%, 3/16/15	385	400
144A 7.375% ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾	100	102				3.950%, 9/21/15	35	35
144A 5.926% ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾	600	558				5.625%, 8/24/20	750	750

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	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Telecommunication Services—continued			Utilities—continued			Consumer Discretionary—continued		
Cricket Communications, Inc. 144A 7.750%, 10/15/20 ⁽⁴⁾	\$ 238	\$ 234	Texas Competitive Electric Holdings Co. LLC Series A 10.250%, 11/1/15	\$ 396	\$ 242	HHI Holdings LLC 7.250%, 3/21/17	\$ 249	\$ 250
Crown Castle Towers LLC 144A 4.523%, 1/15/15 ⁽⁴⁾	75	78			2,244	Hubbard Broadcasting, Inc. 8.750%, 4/30/18	200	204
144A 3.214%, 8/15/15 ⁽⁴⁾	50	51	TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$102,161)			Intelsat Jackson Holding SA (Intelsat Jackson Holding Ltd.) 3.290%, 2/1/14	90	87
144A 5.495%, 1/15/17 ⁽⁴⁾	85	91	CONVERTIBLE BONDS—0.2%			inVentiv Health, Inc. (Ventive Health, Inc.) Tranche B, 4.750%, 8/4/16	248	246
144A 4.883%, 8/15/20 ⁽⁴⁾	500	503	TOTAL CONVERTIBLE BONDS (Identified Cost \$466)			Kalispel Tribal Economic Authority 7.500%, 2/25/17	500	491
Embarq Corp. 6.738%, 6/1/13	50	54	LOAN AGREEMENTS⁽³⁾—14.4%			Landry's Restaurants, Inc. 6.250%, 12/1/14	303	305
Frontier Communications Corp. 7.875%, 4/15/15	295	322	Consumer Discretionary—4.5%			Las Vegas Sands LLC Tranche B, 2.690%, 11/23/16	242	235
8.125%, 10/1/18	150	164	Affinity Gaming LLC (Herbest Gaming LLC) 10.000%, 12/31/15			Tranche DD-I, 2.690%, 11/23/16	49	48
ITC DeltaCom, Inc. 10.500%, 4/1/16	400	420	AMF Bowling Worldwide, Inc. Tranche B, 2.690%, 6/7/13			Mediacom Illinois LLC (Mediacom Communications LLC) Tranche D, 5.500%, 3/31/17	86	86
Nextel Communications, Inc. Series E 6.875%, 10/31/13	235	238	Bourland & Leverich Supply Co. LLC 11.000%, 8/19/15			Nielsen Finance LLC Tranche B, 3.940%, 5/1/16	424	424
Series D 7.375%, 8/1/15	1,075	1,080	Brickman Group Holdings, Inc. Tranche B, 7.250%, 10/14/16			Ozburn-Hessey Holding Co., LLC 7.500%, 4/8/16	321	323
OJSC Vimpel Communications (VIP Finance Ireland Ltd.) 144A 8.375%, 4/30/13 ⁽⁴⁾	100	108	Building Materials Holdings Corp. 3.000%, 1/5/15⁽¹¹⁾			Radio One, Inc. 7.500%, 3/31/16	224	227
144A 9.125%, 4/30/18 ⁽⁴⁾	250	284	Caesars Entertainment Corp. Tranche B, 9.750%, 4/25/17			Revel Entertainment, Inc. Tranche B, 9.000%, 2/17/17	258	242
Qwest Corp. 8.375%, 5/1/16	300	354	Caesars Entertainment Operating Co., Inc. (Harrah's Operating Company, Inc.) Tranche B-2, 3.230%, 1/28/15			Sports Authority, Inc. (The) Tranche B, 7.500%, 11/16/17	274	276
6.500%, 6/1/17	307	333	Tranche B-4, 9.500%, 10/31/16			SRAM LLC 9.250%, 12/7/18	200	200
SBA Tower Trust 144A 4.254%, 4/15/15 ⁽⁴⁾	115	121	Cengage Learning Acquisitions, Inc. 2.500%, 7/3/14			Toys "R" Us, Inc. 6.000%, 9/1/16	50	50
Telecom Italia Capital SA 6.175%, 6/18/14	100	108	Chrysler Group LLC/Chrysler Group Co-Issuer, Inc. Tranche B, 6.000%, 5/24/17			Transtar Industries, Inc. 10.250%, 12/21/17	275	279
Telemar Norte Leste SA 144A 5.500%, 10/23/20 ⁽⁴⁾	245	242	CityCenter Holdings LLC 7.500%, 1/21/15			Universal City Development Partners Ltd. 5.500%, 11/6/14	67	67
West Corp. 144A 7.875%, 1/15/19 ⁽⁴⁾	420	408	Filmyard Holdings LLC (Miramax) 7.750%, 6/22/16			Visant Corp. (Jostens) Tranche B, 5.250%, 12/22/16	746	744
Wind Acquisition Finance S.A. 144A 11.750%, 7/15/17 ⁽⁴⁾	350	398	Focus Brands, Inc. 5.580%, 11/5/16			Vision Solutions, Inc. 6.000%, 7/23/16	459	458
Windstream Corp. 7.000%, 3/15/19	250	254	Gateway Casinos & Entertainment Ltd. Tranche B, 6.500%, 5/12/16					9,960
		6,055	Getty Images, Inc. 5.250%, 11/7/16			Consumer Staples—0.7%		
			Guitar Center, Inc. 5.560%, 4/9/17			Del Monte Foods Co. 4.500%, 3/8/18		
						114 114		
Utilities—1.0%						Revlon Consumer Products Corp. Tranche B, 4.750%, 11/19/17		
Allegheny Energy Supply Co. LLC 144A 8.250%, 4/15/12 ⁽⁴⁾	290	306				Spectrum Brands Holdings, Inc. 5.500%, 6/17/16		
Calpine Corp. 144A 7.875%, 1/15/23 ⁽⁴⁾	250	258				U.S. Foodservice, Inc. 5.750%, 5/11/17		
Centrais Eletricas Brasileiras SA 144A 6.875%, 7/30/19 ⁽⁴⁾	135	153				249 243		
Israel Electric Corp., Ltd. 144A 7.250%, 1/15/19 ⁽⁴⁾	345	379				<u>1,453</u>		
Mega Advance Investments Ltd. 144A 5.000%, 5/12/21 ⁽⁴⁾	500	492						
Midwest Generation LLC Series B 8.560%, 1/2/16	158	162						
NRG Energy, Inc. 144A 7.625%, 1/15/18 ⁽⁴⁾	95	95						
Suburban Propane Partners LP/Suburban Energy Finance Corp. 7.375%, 3/15/20	150	157						

See Notes to Financial Statements

VIRTUS MULTI-SECTOR FIXED INCOME SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Energy—0.1%			Industrials—1.5%			Information Technology—continued		
Big West Oil LLC 7.000%, 3/31/16	\$ 116	\$ 117	Alliance Laundry Holdings LLC 6.250%, 9/30/16	\$ 560	\$ 565	Lawson Software, Inc. 6.750%, 7/5/17	\$ 300	\$ 288
Financials—0.8%			ARAMARK Corp. Letter of Credit 2, 3.500%, 7/26/16	2	2	Novell, Inc. (Attachmate Corp.) 6.500%, 4/27/17	550	552
Asurion Corp. 9.000%, 5/24/19	350	352	Tranche B, 3.500%, 7/26/16	26	26	SonicWALL, Inc. 8.250%, 1/23/16	314	315
Delos Aircraft, Inc. Tranche 2, 7.000%, 3/17/16	70	70	Brock Holdings III, Inc. 10.000%, 3/16/18	265	273	Sorenson Communications, Inc. Tranche C, 6.000%, 8/16/13	236	229
Fortress Invest Group LLC (FIG) 5.750%, 10/7/15	34	35	Bucyrus International, Inc. Tranche C, 4.250%, 2/19/16	168	169	Spansion LLC 4.750%, 2/9/15	300	301
International Lease Finance Corp. (Delos Aircraft, Inc.) Tranche 1, 6.750%, 3/17/15	95	95	Goodman Global, Inc. 9.000%, 10/30/17	158	162	Transaction Network Services, Inc. 6.000%, 11/18/15	266	268
iStar Financial, Inc. Tranche A-2 7.000%, 6/30/14	465	465	Harland Clarke Holdings Corp. (Clarke American Corp.) Tranche B, 2.760%, 6/30/14	761	683	Wall Street Systems, Inc. 5.500%, 5/4/17	335	339
Pinnacle Foods Finance LLC 2.690%, 4/2/14	44	44	Hawker Beechcraft Acquisition Co., LLC Letter of Credit, 2.100%, 3/26/14	22	19			<u>6,780</u>
Springleaf Financial Funding Co. (American General Finance Corp.) 5.500%, 5/10/17	45	44	2.250%, 3/26/14	361	305	Materials—0.6%		
Synatech Technologies, Inc. (Synagro Technologies, Inc.) 2.200%, 4/2/14	442	411	Holdings Gaming Borrower LP Tranche B-1, 12.000%, 6/30/15	323	348	Anchor Glass Container Corp. 6.000%, 3/2/16	52	52
Walter Investments, Inc. 7.750%, 6/30/16	313	308	Intelligrated, Inc. 7.500%, 2/17/17	494	493	10.000%, 9/2/16	50	51
		<u>1,824</u>	Vertrue LLC 5.250%, 8/16/14	169	148	Berry Plastics Group, Inc. Tranche C, 2.250%, 4/3/15	142	134
					<u>3,193</u>	CPG International, Inc. Tranche B, 6.000%, 2/18/17	265	265
Health Care—1.4%			Information Technology—3.1%			Diversey, Inc. (JohnsonDiversey, Inc.) Tranche B, 4.000%, 11/24/15	43	43
Ardent Health Services LLC 6.500%, 9/15/15	494	495	Applied Systems, Inc. 9.250%, 6/8/17	333	338	Hoffmaster Group, Inc. 7.000%, 6/2/16	444	446
Aveta, Inc. Tranche NAMM, 8.500%, 4/14/15	232	233	Avaya, Inc. Tranche B-1, 3.010%, 10/24/14	272	262	Huntsman International LLC Tranche B, 1.740%, 4/19/14	4	4
Tranche MMM, 8.500%, 4/14/15	232	233	Tranche B-3, 4.760%, 10/26/17	546	527	Extended Tranche B, 2.770%, 4/19/17	10	10
Axcan Intermediate Holdings, Inc. 5.500%, 2/10/17	413	409	AVG Technologies N.V. 7.500%, 3/15/16	425	412	New Sunward Holding BV Tranche B, 4.750%, 2/14/14	407	376
Medical Card Systems, Inc. 12.000%, 9/17/15	361	375	DynCorp International LLC 6.250%, 7/7/16	363	365			<u>1,381</u>
NBTY, Inc. Tranche B-1, 4.250%, 10/1/17	25	25	Fibertech Networks LLC (Firefox Merger Sub LLC) 6.750%, 11/30/16	141	143	Telecommunication Services—1.2%		
Res-Care, Inc. Tranche B, 7.250%, 12/22/16	498	499	First Data Corp. Tranche B-1, 2.940%, 9/24/14	510	473	Level 3 Communications, Inc. Tranche B, 11.500%, 3/13/14	256	272
Sheridan Healthcare, Inc. Tranche B, 4.000%, 6/15/14	99	99	Tranche B-3, 2.940%, 9/24/14	730	678	Presidio, Inc. 7.250%, 3/31/17	244	244
Smile Brands, Inc. Tranche B, 7.000%, 12/21/17	373	374	Freescale Semiconductor, Inc. 4.440%, 12/1/16	473	471	Securus Technologies Holdings, Inc. (Securus Technologies, Inc.) 5.250%, 5/31/17	360	359
Surgery Center Holdings, Inc. 6.500%, 2/4/17	129	130	Infor Enterprise Solutions Holdings, Inc. (Magellan Holdings, Inc.) Tranche DD, 6.440%, 3/2/14	174	150	U.S. TelePacific Corp. 5.750%, 2/23/17	272	272
Vanguard Health Holding Co., LLC (Vanguard Health System, Inc.) 5.000%, 2/4/16	45	45	Tranche DD, 6.440%, 3/2/14	301	260	Univision Communications, Inc. 4.440%, 3/31/17	1,342	1,277
Viking Acquisition, Inc. (Armored AutoGroup, Inc.) 6.000%, 11/5/16	119	119	Instant Web, Inc. 3.560%, 8/7/14	405	370	Vonage America, Inc./Vonage Holdings Corp. 9.750%, 12/14/15	195	196
		<u>3,036</u>	Tranche DD, 3.560%, 8/7/14	42	39			<u>2,620</u>

See Notes to Financial Statements

VIRTUS MULTI-SECTOR FIXED INCOME SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE
Utilities—0.5%		
NRG Energy, Inc. 4.000%, 2/1/13 Letter of Credit	\$ 106	\$ 106
4.000%, 2/1/13	626	625
Texas Competitive Electric Holdings Co., LLC Tranche 2014, 3.690%, 10/10/14	467	396
		1,127
TOTAL LOAN AGREEMENTS (Identified Cost \$31,261)		31,491

	SHARES	
PREFERRED STOCK—2.3%		
Financials—2.0%		
Ally Financial, Inc. Series A, 8.50%	20,000	501
Ally Financial, Inc. Series G, 144A 7.00% ⁽⁴⁾	439	413
Banco Bilbao Vizcaya Argentaria S.A. International Preferred S.A. Unipersonal 5.92% ⁽³⁾	380	315
Banco do Brasil S.A. 144A 8.50% ⁽³⁾⁽⁴⁾	200	231
Bank of America Corp. Series K, 8.00% ⁽³⁾	625	653
Citigroup Capital XIII 7.875% ⁽³⁾	9,350	260
FNMA Series S, 8.250% ⁽³⁾	63,000	135
JPMorgan Chase & Co. Series 1, 7.90% ⁽³⁾	525	564
PNC Financial Services Group, Inc. Series K, 8.25% ⁽³⁾	650	687
Saul Centers, Inc. Series A 8.000%	425	11
UOB Cayman Ltd. 144A 5.80% ⁽³⁾⁽⁴⁾	700	722
		4,492

Industrials—0.3%		
Seaspan Corp. Series C, 9.50%	20,000	546
TOTAL PREFERRED STOCK (Identified Cost \$5,421)		5,038

COMMON STOCKS—0.1%		
Consumer Discretionary—0.0%		
Mark IV Industries ⁽²⁾	217	12
Financials—0.1%		
CIT Group, Inc. ⁽²⁾	1,257	56

	SHARES	VALUE
Industrials—0.0%		
Building Materials Holding Corp. ⁽²⁾⁽¹¹⁾	27,113	\$ 38
TOTAL COMMON STOCKS (Identified Cost \$88)		106
TOTAL LONG-TERM INVESTMENTS—98.4% (Identified Cost \$203,985)		215,792

SHORT-TERM INVESTMENTS—0.4%		
Money Market Mutual Funds—0.4%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	941,479	941
TOTAL SHORT-TERM INVESTMENTS (Identified Cost \$941)		941

TOTAL INVESTMENTS—98.8% (Identified Cost \$204,926)	216,733⁽¹⁾
Other assets and liabilities, net—1.2%	2,725
NET ASSETS—100.0%	\$219,458

Country Weightings†	
United States (includes short-term investments)	71%
Brazil	3
Russia	3
United Kingdom	3
Argentina	2
Canada	2
Venezuela	2
Other	14
Total	100%
† % of total investments as of June 30, 2011	

Abbreviations:

FNMA	Federal National Mortgage Association ("Fannie Mae")
NATL	National Public Finance Guarantee Corp.
PIK	Payment-in-Kind Security

Foreign Currencies:

AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
COP	Colombian Peso
IDR	Indonesian Rupiah
KRW	Korean Won
NOK	Norwegian Krone
NZD	New Zealand Dollar
PLZ	Polish Zloty
SEK	Swedish Krona
TRY	New Turkish Lira

Footnote Legend:

- (1) Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.
- (2) Non-income producing.
- (3) Variable or step coupon security; interest rate shown reflects the rate in effect at June 30, 2011.
- (4) Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2011, these securities amounted to a value of \$61,717 or 28.1% of net assets.
- (5) Regulation S security. Security is offered and sold outside of the United States; therefore, it is exempt from registration with the SEC under rules 903 and 904 of the Securities Act of 1933.
- (6) No contractual maturity date.
- (7) Interest payments may be deferred.
- (8) Issuer may elect not to pay interest, causing the payment to be forfeited and no longer due. The issuer has not invoked this election since the fund purchased this security.
- (9) Principal amount is adjusted daily pursuant to the change in the Consumer Price Index.
- (10) Amounts are less than \$500.
- (11) Illiquid security.
- (12) Security valued at fair value as determined in good faith by or under the direction of the Board of Trustees. This security is disclosed as a Level 3 security in the disclosure table located after the Schedule of Investments.
- (13) Security in default.

See Notes to Financial Statements

VIRTUS MULTI-SECTOR FIXED INCOME SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices	Level 2 – Significant Observable Inputs	Level 3 – Significant Unobservable Inputs
Investments in Securities:				
Debt Securities:				
Asset-Backed Securities	\$ 5,496	\$ —	\$ 5,496	\$ —
Convertible Bonds	490	—	490	—
Corporate Bonds and Notes	107,616	—	107,616	—
Foreign Government Securities	25,653	—	25,653	—
Loan Agreements	31,491	—	31,491	—
Mortgage-Backed Securities	36,481	—	36,481	—
Municipal Bonds	3,421	—	3,421	—
Equity Securities:				
Common Stocks	106	56	—	50
Preferred Stock	5,038	11	5,027	—
Short-Term Investments	941	941	—	—
Total Investments	<u>\$216,733</u>	<u>\$1,008</u>	<u>\$215,675</u>	<u>\$ 50</u>

The following is a reconciliation of assets of the Series for Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Total	Asset-Backed Securities	Corporate Bonds and Notes	Loan Agreements	Common Stocks
Investments in Securities:					
Balance as of December 31, 2010	\$ 652	\$112	\$ —	\$ 510	\$ 30
Accrued discounts/premiums ^(a)	5	—	—	5	—
Realized gain (loss) ^(b)	26	—	—	26	—
Change in unrealized appreciation (depreciation) ^(b)	26	(13)	—	19	20
Purchases	—	—	—	—	—
Sales ^(c)	(560)	—	—	(560)	—
Transfers into Level 3 ^(d)	—	—	0 ^(e)	—	—
Transfers from Level 3 ^(d)	(99)	(99)	—	—	—
Balance as of June 30, 2011	<u>\$ 50</u>	<u>\$ —</u>	<u>\$ 0</u>	<u>\$ —</u>	<u>\$ 50</u>

^(a) Disclosed in the Statement of Operations under interest income.

^(b) Disclosed in the Statement of Operations under Net realized and unrealized gain (loss) on investments.

^(c) Includes paydowns.

^(d) "Transfers into or from" represent the ending value as of June 30, 2011, for any investment security where a change in the pricing level occurred from the beginning to the end of the period.

^(e) Level 3 Corporate Bond and Note valued at zero at the time of transfer and end of period.

See Notes to Financial Statements

VIRTUS PREMIUM ALPHASECTORSM SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
EXCHANGE-TRADED FUNDS—94.9%		
Consumer Discretionary Select Sector SPDR Fund	2,720	\$ 109
Consumer Staples Select Sector SPDR Fund	3,550	111
Energy Select Sector SPDR Fund	1,400	106
Financial Select Sector SPDR Fund	6,270	96
Health Care Select Sector SPDR Fund	3,220	114
Industrial Select Sector SPDR Fund	2,830	105
Materials Select Sector SPDR Fund	2,630	104
Technology Select Sector SPDR Fund	3,900	100
Utilities Select Sector SPDR Fund	3,280	110
TOTAL EXCHANGE-TRADED FUNDS (Identified Cost \$952)		955
TOTAL LONG-TERM INVESTMENTS—94.9% (Identified Cost \$952)		955

	SHARES	VALUE
SHORT-TERM INVESTMENTS—5.6%		
Money Market Mutual Funds—5.6%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	55,506	\$ 56
TOTAL SHORT-TERM INVESTMENTS (Identified Cost \$56)		56
TOTAL INVESTMENTS—100.5% (Identified Cost \$1,008)		1,011⁽¹⁾
Other assets and liabilities, net—(0.5)%		(5)
NET ASSETS—100.0%		\$ 1,006

Abbreviation:

SPDR S&P Depository Receipt

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.

The following table provides a summary of inputs used to value the Fund's investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices
Investments in Securities:		
Equity Securities:		
Exchange-Traded Funds	\$ 955	\$ 955
Short-Term Investments	56	56
Total Investments	\$1,011	\$1,011

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS REAL ESTATE SECURITIES SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
COMMON STOCKS—99.3%		
REAL ESTATE INVESTMENT TRUSTS—99.3%		
DIVERSIFIED—6.9%		
Digital Realty Trust, Inc.	32,054	\$ 1,980
Vornado Realty Trust	62,536	5,827
		<u>7,807</u>
HEALTH CARE—9.0%		
HCP, Inc.	81,446	2,988
Health Care REIT, Inc.	33,627	1,763
Nationwide Health Properties, Inc.	73,793	3,056
Ventas, Inc.	45,421	2,394
		<u>10,201</u>
INDUSTRIAL/OFFICE—22.2%		
Industrial—5.3%		
Prologis, Inc.	169,737	6,083
Mixed—2.3%		
Duke Realty Corp.	188,130	2,636
Office—14.6%		
Alexandria Real Estate Equities, Inc.	20,511	1,588
BioMed Realty Trust, Inc.	88,427	1,701
Boston Properties, Inc.	53,214	5,649
Kilroy Realty Corp.	91,375	3,609
Mack-Cali Realty Corp.	32,674	1,076
SL Green Realty Corp.	34,821	2,886
		<u>16,509</u>
		<u>25,228</u>
LODGING/RESORTS—7.6%		
Host Hotels & Resorts, Inc.	300,674	5,096
LaSalle Hotel Properties	92,613	2,439
Starwood Hotels & Resorts Worldwide, Inc.	19,280	1,081
		<u>8,616</u>
RESIDENTIAL—20.5%		
Apartments—18.9%		
Apartment Investment & Management Co. Class A	93,299	2,382
AvalonBay Communities, Inc.	38,908	4,996
BRE Properties, Inc.	34,406	1,716
Camden Property Trust	26,900	1,711
Campus Crest Communities, Inc.	26,943	349
Equity Residential	124,314	7,459
Essex Property Trust, Inc.	6,391	864
UDR, Inc.	75,889	1,863
		<u>21,340</u>

	SHARES	VALUE
Manufactured Homes—1.6%		
Equity Lifestyle Properties, Inc.	29,656	\$ 1,852
		<u>23,192</u>
RETAIL—25.3%		
Regional Malls—17.4%		
General Growth Properties, Inc.	116,021	1,936
Macerich Co. (The)	65,897	3,526
Simon Property Group, Inc.	108,656	12,629
Taubman Centers, Inc.	27,878	1,650
		<u>19,741</u>
Shopping Centers—7.9%		
Developers Diversified Realty Corp.	117,550	1,657
Kimco Realty Corp.	174,884	3,260
Regency Centers Corp.	49,300	2,168
Weingarten Realty Investors	71,770	1,806
		<u>8,891</u>
		<u>28,632</u>
SELF STORAGE—7.8%		
Extra Space Storage, Inc.	142,698	3,044
Public Storage	50,627	5,772
		<u>8,816</u>
TOTAL COMMON STOCKS		
(Identified Cost \$61,790)		112,492
TOTAL LONG-TERM INVESTMENTS—99.3%		
(Identified Cost \$61,790)		112,492
SHORT-TERM INVESTMENTS—0.2%		
Money Market Mutual Funds—0.2%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	172,000	172
TOTAL SHORT-TERM INVESTMENTS		172
(Identified Cost \$172)		172
TOTAL INVESTMENTS—99.5%		112,664⁽¹⁾
(Identified Cost \$61,962)		112,664⁽¹⁾
Other assets and liabilities, net—0.5%		621
NET ASSETS—100.0%		\$113,285

Abbreviation:
REIT Real Estate Investment Trust

Footnote Legend:
⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices
Investments in Securities:		
Common Stocks:		
Real Estate		
Investment Trusts	\$112,492	\$112,492
Short-Term Investments	172	172
	<u>\$112,664</u>	<u>\$112,664</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS SMALL-CAP GROWTH SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
COMMON STOCKS—96.9%		
Consumer Discretionary—14.9%		
Aaron's, Inc.	126,800	\$ 3,583
Morningstar, Inc.	43,300	2,632
Pool Corp.	154,000	4,591
		<u>10,806</u>
Consumer Staples—7.8%		
Hansen Natural Corp. ⁽²⁾	22,100	1,789
PriceSmart, Inc.	74,900	3,837
		<u>5,626</u>
Financials—5.5%		
Cohen & Steers, Inc.	120,000	3,978
Health Care—25.5%		
Abaxis, Inc. ⁽²⁾	125,200	3,412
Bio-Reference Labs, Inc. ⁽²⁾	125,000	2,613
Immucor, Inc. ⁽²⁾	160,500	3,277
Meridian Bioscience, Inc.	71,400	1,721
National Research Corp.	30,200	1,103
Quality Systems, Inc.	20,700	1,807
Techne Corp.	54,600	4,552
		<u>18,485</u>
Industrials—17.4%		
Aon, Inc.	109,500	2,391
Copart, Inc. ⁽²⁾	96,100	4,478
Heartland Express, Inc.	126,000	2,087
HEICO Corp. Class A	66,250	2,634
Omega Flex, Inc. ⁽²⁾	71,100	998
		<u>12,588</u>

	SHARES	VALUE
Information Technology—25.8%		
ANSYS, Inc. ⁽²⁾	72,200	\$ 3,947
Blackbaud, Inc.	106,400	2,949
FactSet Research Systems, Inc.	7,200	737
FLIR Systems, Inc.	116,000	3,910
Hittite Microwave Corp. ⁽²⁾	60,500	3,746
ScanSource, Inc. ⁽²⁾	89,300	3,347
		<u>18,636</u>
TOTAL COMMON STOCKS		
(Identified Cost \$58,957)		
		70,119
TOTAL LONG-TERM INVESTMENTS—96.9%		
(Identified Cost \$58,957)		
		70,119
SHORT-TERM INVESTMENTS—2.9%		
Money Market Mutual Funds—2.9%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	2,061,742	2,062
TOTAL SHORT-TERM INVESTMENTS		
(Identified Cost \$2,062)		
		2,062
TOTAL INVESTMENTS—99.8%		
(Identified Cost \$61,019)		
		72,181⁽¹⁾
Other assets and liabilities, net—0.2%		<u>145</u>
NET ASSETS—100.0%		
		\$72,326

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices
Investments in Securities:		
Equity Securities:		
Common Stocks	\$70,119	\$70,119
Short-Term Investments	<u>2,062</u>	<u>2,062</u>
Total Investments	<u>\$72,181</u>	<u>\$72,181</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS SMALL-CAP VALUE SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
COMMON STOCKS—98.1%		
Consumer Discretionary—13.5%		
Hillenbrand, Inc.	306,000	\$ 7,237
John Wiley & Sons, Inc. Class A	90,000	4,681
Tempur-Pedic International, Inc. ⁽²⁾	129,200	8,762
		<u>20,680</u>
Consumer Staples—4.7%		
WD-40 Co.	185,700	7,250
Energy—10.2%		
CARBO Ceramics, Inc.	41,900	6,827
World Fuel Services Corp.	246,500	8,857
		<u>15,684</u>
Financials—22.0%		
Ares Capital Corp.	356,300	5,726
Entertainment Properties Trust	92,500	4,320
Federated Investors, Inc. Class B	291,900	6,959
First Cash Financial Services, Inc. ⁽²⁾	246,600	10,355
RLI Corp.	77,500	4,799
Suffolk Bancorp	119,100	1,662
		<u>33,821</u>
Health Care—10.1%		
Landauer, Inc.	78,848	4,856
Owens & Minor, Inc.	250,800	8,650
Young Innovations, Inc.	72,323	2,063
		<u>15,569</u>
Industrials—21.7%		
ABM Industries, Inc.	158,900	3,709
CLARCOR, Inc.	131,200	6,203
Graco, Inc.	139,600	7,072
Landstar System, Inc.	185,900	8,641
Lincoln Electric Holdings, Inc.	215,800	7,736
		<u>33,361</u>

	SHARES	VALUE
Information Technology—12.3%		
Cabot Microelectronics Corp. ⁽²⁾	62,000	\$ 2,881
Cass Information Systems, Inc.	22,972	868
Computer Services, Inc.	11,429	342
Jack Henry & Associates, Inc.	216,100	6,485
Syntel, Inc.	140,800	8,324
		<u>18,900</u>
Materials—3.6%		
Balchem Corp.	125,400	5,490
TOTAL COMMON STOCKS		
(Identified Cost \$130,526)		150,755
TOTAL LONG-TERM INVESTMENTS—98.1%		
(Identified Cost \$130,526)		150,755
SHORT-TERM INVESTMENTS—2.1%		
Money Market Mutual Funds—2.1%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	3,160,160	3,160
TOTAL SHORT-TERM INVESTMENTS		
(Identified Cost \$3,160)		3,160
TOTAL INVESTMENTS—100.2%		
(Identified Cost \$133,686)		153,915⁽¹⁾
Other assets and liabilities, net—(0.2)%		(315)
NET ASSETS—100.0%		\$153,600

Footnote Legend:

⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices
Investments in Securities:		
Equity Securities:		
Common Stocks	\$150,755	\$150,755
Short-Term Investments	3,160	3,160
Total Investments	<u>\$153,915</u>	<u>\$153,915</u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS STRATEGIC ALLOCATION SERIES
SCHEDULE OF INVESTMENTS
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
U.S. GOVERNMENT SECURITIES—1.0%			FOREIGN GOVERNMENT SECURITIES—1.2%			Agency—continued		
U.S. Treasury Bond			Bolivarian Republic			5.000%, 5/15/39	\$ 215	\$ 229
4.250%, 11/15/40	\$ 450	\$ 440	of Venezuela			4.500%, 6/15/39	959	994
U.S. Treasury Note			RegS 5.750%, 2/26/16 ⁽⁵⁾	\$ 160	\$ 125	5.500%, 6/15/39	199	216
2.625%, 11/15/20	200	193	9.250%, 9/15/27	95	72	4.500%, 2/1/40	206	215
3.625%, 2/15/21	850	886	Commonwealth of Australia			4.500%, 8/1/40	1,092	1,131
TOTAL U.S. GOVERNMENT SECURITIES			Series 123,			GNMA		
(Identified Cost \$1,517)		1,519	5.750%, 4/15/12	256 ^{AUD}	277	6.500%, 11/15/23	53	61
MUNICIPAL BONDS—2.4%			Commonwealth of Canada			6.500%, 12/15/23	7	8
California—1.2%			2.000%, 9/1/12	262 ^{CAD}	274	6.500%, 2/15/24	64	73
Alameda Corridor			Commonwealth of			6.500%, 6/15/28	93	106
Transportation Authority			New Zealand			6.500%, 7/15/31	53	60
Taxable Series 99-C,			Series 1111,			6.500%, 11/15/31	59	67
(NATL Insured)			6.000%, 11/15/11	120 ^{NZD}	101	6.500%, 2/15/32	53	60
6.600%, 10/1/29	1,000	935	Series 413,			6.500%, 4/15/32	66	75
Kern County Pension			6.500%, 4/15/13	62 ^{NZD}	54			<u>7,242</u>
Obligation Taxable			Kingdom of Norway			Non-Agency—8.5%		
(NATL-RE Insured)			Series 470,			1166 Avenue of Americas		
7.260%, 8/15/14	420	446	6.500%, 5/15/13	719 ^{NOK}	143	Commercial Mortgage		
Sonoma County Pension			Kingdom of Sweden			Trust 05-C6A, A1 144A		
Obligation Taxable			Series 1046,			5.690%, 10/13/37 ⁽⁴⁾	400	433
(FSA Insured)			5.500%, 10/8/12	595 ^{SEK}	98	Americold LLC Trust		
6.625%, 6/1/13	430	441	Republic of Argentina PIK			10-ARTA, B 144A		
		<u>1,822</u>	Interest Capitalization			6.031%, 1/14/29 ⁽⁴⁾	200	210
Florida—0.1%			8.280%, 12/31/33	132	117	Bear Stearns Commercial		
Miami-Dade County			Republic of Hungary			Mortgage Securities, Inc.		
Educational Facilities			6.375%, 3/29/21	30	32	06-PW12, A4		
Authority Taxable			Republic of Korea			5.720%, 9/11/38 ⁽³⁾	940	1,035
Series C			Series 1112,			07-PW18, AM		
5.480%, 4/1/16	105	112	4.750%, 12/10/11	71,500 ^{KRW}	67	6.084%, 6/11/50 ⁽³⁾	550	538
Kentucky—0.1%			Republic of Lithuania 144A			Citigroup/Deutsche Bank		
Commonwealth of Kentucky			7.375%, 2/11/20 ⁽⁴⁾	150	173	Commercial Mortgage		
Taxable			Republic of Poland			Trust 06-CD2, A4		
3.165%, 4/1/18	140	140	5.125%, 4/21/21	150	155	5.344%, 1/15/46 ⁽³⁾	1,190	1,288
Massachusetts—0.1%			Republic of Turkey			Credit Suisse Mortgage		
Commonwealth Development			6.750%, 5/30/40	100	108	Capital Certificates		
Finance Agency Harvard			TOTAL FOREIGN GOVERNMENT SECURITIES			06-C1, A4		
University Series B-1,			(Identified Cost \$1,690)		1,796	5.422%, 2/15/39 ⁽³⁾	1,210	1,318
5.000%, 10/15/40	150	157	MORTGAGE-BACKED SECURITIES—13.2%			Extended Stay America		
Pennsylvania—0.8%			Agency—4.7%			Trust 10-ESHA, D 144A		
City of Pittsburgh Pension			FNMA			5.498%, 11/5/27 ⁽⁴⁾	100	100
Obligation Taxable			4.000%, 6/15/20	253	268	GE Capital Commercial		
Series C (NATL-RE,			4.500%, 7/1/20	24	25	Mortgage Corp. 03-C1, C		
FGIC Insured)			6.500%, 10/1/31	14	16	4.975%, 1/10/38 ⁽³⁾	175	182
6.500%, 3/1/17	1,250	1,345	6.000%, 9/1/32	66	73	Goldman Sachs Mortgage		
Virginia—0.1%			5.000%, 10/1/35	227	243	Securities Corp. II		
Tobacco Settlement			5.500%, 4/1/37	100	108	05-GG4, AJ		
Financing Corp.			6.000%, 10/1/37	124	136	4.782%, 7/10/39	800	749
Taxable Series 07-A1,			5.000%, 5/1/38	487	518	07-GG10, A4		
6.706%, 6/1/46	220	147	5.000%, 6/1/38	241	257	5.800%, 8/10/45 ⁽³⁾	460	494
TOTAL MUNICIPAL BONDS			5.500%, 6/1/38	92	99	JPMorgan Chase Commercial		
(Identified Cost \$3,627)		3,723	5.000%, 1/1/39	145	154	Mortgage Securities Corp.		
			6.000%, 1/1/39	175	192	10-CNTR, A2 144A		
			4.500%, 3/1/39	327	339	4.311%, 8/5/32 ⁽⁴⁾	300	291
			6.000%, 3/1/39	145	160	05-LDP5, B		
			4.500%, 4/1/39	368	383	5.358%, 12/15/44 ⁽³⁾	125	118
			4.000%, 4/15/39	232	233	06-LDP7, AM		
			5.500%, 4/15/39	82	89	5.863%, 4/15/45 ⁽³⁾	125	129
			6.000%, 4/15/39	109	121	07-LD12, A4		
			4.000%, 5/15/39	532	533	5.882%, 2/15/51 ⁽³⁾	425	462

See Notes to Financial Statements

VIRTUS STRATEGIC ALLOCATION SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Non-Agency—continued			Trip Rail Master Funding LLC 11-1A, A1A 4.370%, 7/15/41			\$ 110	\$ 110	
Lehman Brothers-UBS Commercial Mortgage Trust 06-C6, A4 5.372%, 9/15/39	\$ 325	\$ 353	TOTAL ASSET-BACKED SECURITIES (Identified Cost \$3,210)			2,253		
07-C2, A2 5.303%, 2/15/40	1,153	1,177	CORPORATE BONDS AND NOTES—19.6%					
07-C6, A2 5.845%, 7/15/40	495	511	Consumer Discretionary—1.3%					
07-C7, A3 5.866%, 9/15/45 ⁽³⁾	700	761	Ameristar Casinos, Inc. 144A 7.500%, 4/15/21 ⁽⁴⁾			100	104	
Morgan Stanley Capital I 06-T23, A4 5.810%, 8/12/41 ⁽³⁾	790	884	Arcos Dorados B.V. 144A 7.500%, 10/1/19 ⁽⁴⁾			125	136	
06-IQ12, A4 5.332%, 12/15/43	525	567	Caesar's Entertainment Operating Co., Inc. 11.250%, 6/1/17			125	139	
Timberstar Trust 06-1A, A 144A 5.668%, 10/15/36 ⁽⁴⁾	675	729	Cequel Communications Holdings I LLC/Cequel Capital Corp. 144A 8.625%, 11/15/17 ⁽⁴⁾			90	94	
Wachovia Bank Commercial Mortgage Trust 07-C30, A5 5.342%, 12/15/43	285	300	Citadel Broadcasting Corp. 144A 7.750%, 12/15/18 ⁽⁴⁾			20	21	
05-C21, D 5.203%, 10/15/44 ⁽³⁾	100	93	CityCenter Holdings LLC/CityCenter Finance Corp. 144A 7.625%, 1/15/16 ⁽⁴⁾			42	44	
07-C33, A4 6.097%, 2/15/51 ⁽³⁾	425	462	Dana Holding Corp. 6.500%, 2/15/19			10	10	
		13,184	Delphi Corp. 144A 5.875%, 5/15/19 ⁽⁴⁾			25	25	
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost \$18,851)		20,426	Gap, Inc. (The) 5.950%, 4/12/21			75	72	
ASSET-BACKED SECURITIES—1.4%			Hasbro, Inc. 6.300%, 9/15/17			200	226	
Bayview Financial Acquisition Trust 06-A, 1A2 5.483%, 2/28/41 ⁽³⁾	222	223	International Game Technology 7.500%, 6/15/19			150	171	
Bosphorus Financial Services Ltd. 144A 2.061%, 2/15/12 ⁽³⁾⁽⁴⁾	75	74	Korea Expressway Corp. 144A 4.500%, 3/23/15 ⁽⁴⁾			100	105	
Chrysler Financial Auto Securitization Trust 10-A, C 2.000%, 1/8/14	300	301	Landry's Restaurants, Inc. 11.625%, 12/1/15			83	89	
JPMorgan Mortgage Acquisition Corp. 06-CW2, AF3 5.777%, 8/25/36 ⁽³⁾	470	258	Nissan Motor Acceptance Corp. 144A 4.500%, 1/30/15 ⁽⁴⁾			160	169	
06-CW2, AF4 6.080%, 8/25/36	530	229	Pittsburgh Glass Works LLC 144A 8.500%, 4/15/16 ⁽⁴⁾			40	41	
Lehman XS Trust 05-6, 3A2B 5.420%, 11/25/35	300	297	Polymer Group, Inc. 144A 7.750%, 2/1/19 ⁽⁴⁾			16	16	
Popular ABS Mortgage Pass-Through Trust 05-5, AF3 5.086%, 11/25/35 ⁽³⁾	107	105	QVC, Inc. 144A 7.500%, 10/1/19 ⁽⁴⁾			150	160	
Residential Funding Mortgage Securities II, Inc. 06-HSA1, A3 5.230%, 2/25/36	860	416	Seneca Gaming Corp. 144A 8.250%, 12/1/18 ⁽⁴⁾			15	16	
Santander Drive Auto Receivables Trust 11-2 B 2.660%, 1/15/16	240	240	Time Warner Cable, Inc. 5.850%, 5/1/17			130	146	
			Universal City Development Partners Ltd./Universal City Development Partners Finance, Inc. 8.875%, 11/15/15			20	22	
			Consumer Discretionary—continued					
			Univision Communications, Inc. 144A 7.875%, 11/1/20 ⁽⁴⁾			\$ 25	\$ 26	
			Vail Resorts, Inc. 144A 6.500%, 5/1/19 ⁽⁴⁾			125	126	
			Wyndham Worldwide Corp. 5.750%, 2/1/18			25	26	
			Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp. 7.875%, 11/1/17			100	109	
							2,093	
			Consumer Staples—0.5%					
			Bunge Ltd. Finance Corp. 5.100%, 7/15/15			125	134	
			Cencosud SA 144A 5.500%, 1/20/21 ⁽⁴⁾			150	151	
			Diversey, Inc. 8.250%, 11/15/19			15	18	
			Rite Aid Corp. 8.000%, 8/15/20			20	22	
			Sigma Alimentos SA de CV 144A 5.625%, 4/12/18 ⁽⁴⁾			150	153	
			Tate & Lyle International Finance plc 144A 6.625%, 6/15/16 ⁽⁴⁾			275	308	
							786	
			Energy—1.6%					
			Alta Mesa Holdings LP/Alta Mesa Finance Services Corp. 144A 9.625%, 10/15/18 ⁽⁴⁾			75	75	
			Anadarko Petroleum Corp. 6.375%, 9/15/17			160	183	
			Breitburn Energy Partners LP 8.625%, 10/15/20			60	64	
			Calumet Specialty Products Partners LP/Calumet Finance Corp. 144A 9.375%, 5/1/19 ⁽⁴⁾			30	31	
			Coffeyville Resources Inc. LLC/Coffeyville Finance, Inc., 144A 10.875%, 4/1/17 ⁽⁴⁾			125	143	
			Energy Transfer Equity LP 7.500%, 10/15/20			20	21	
			Expro Finance Luxembourg SCA 144A 8.500%, 12/15/16 ⁽⁴⁾			125	121	
			Frontier Oil Corp. 6.875%, 11/15/18			45	48	
			Helix Energy Solutions Group, Inc. 144A 9.500%, 1/15/16 ⁽⁴⁾			50	52	
			Hilcorp Energy I LP/Hilcorp Finance Co. 144A 7.750%, 11/1/15 ⁽⁴⁾			100	104	
			Holly Corp. 9.875%, 6/15/17			12	13	

See Notes to Financial Statements

VIRTUS STRATEGIC ALLOCATION SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Energy—continued			Financials—continued			Financials—continued		
Linn Energy LLC/Linn Energy Finance Corp. 144A 6.500%, 5/15/19 ⁽⁴⁾	\$ 20	\$ 20	Bank of America Corp. 5.650%, 5/1/18 Capital Trust XI 6.625%, 5/23/36 ⁽⁷⁾	\$ 400	\$ 422	Goldman Sachs Group, Inc. (The) 5.950%, 1/18/18	\$ 165	\$ 178
Lukoil International Finance BV 144A 7.250%, 11/5/19 ⁽⁴⁾	175	194	Barclays Bank plc 5.200%, 7/10/14 144A 5.926% ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾	325	316	6.150%, 4/1/18 HCP, Inc. 5.375%, 2/1/21 Health Care REIT, Inc. 4.700%, 9/15/17	175	190
Newfield Exploration Co. 6.625%, 9/1/14	100	102	BBVA Bancomer SA 144A 6.500%, 3/10/21 ⁽⁴⁾	140	151	HSBC Bank plc 144A 3.100%, 5/24/16 ⁽⁴⁾	60	62
Petrobras International Finance Co. 3.875%, 1/27/16	70	71	Bear Stearns Cos., Inc. LLC (The) 7.250%, 2/1/18	100	93	Huntington Bancshares, Inc. 7.000%, 12/15/20	150	154
Petrohawk Energy Corp. 10.500%, 8/1/14	100	113	BioMed Realty LP 3.850%, 4/15/16	150	153	Hyundai Capital Services, Inc. 144A 6.000%, 5/5/15 ⁽⁴⁾	80	90
Petroleos de Venezuela SA 5.250%, 4/12/17	65	41	Blackstone Holdings Finance Co., LLC 144A 6.625%, 8/15/19 ⁽⁴⁾	250	297	ICICI Bank Ltd. 144A 5.750%, 11/16/20 ⁽⁴⁾	100	109
Petroleos Mexicanos 6.000%, 3/5/20	105	115	Brandywine Operating Partnership LP 7.500%, 5/15/15	125	126	International Lease Finance Corp. 6.250%, 5/15/19	125	123
Petroplus Finance Ltd. 144A 6.750%, 5/1/14 ⁽⁴⁾	150	148	Capital One Financial Corp. 6.150%, 9/1/16	135	145	Jefferies Group, Inc. 5.125%, 4/13/18	96	94
Petropower I Funding Trust 144A 7.360%, 2/15/14 ⁽⁴⁾	208	210	Capital IV 8.875%, 5/15/40 ⁽⁷⁾	125	143	JPMorgan Chase & Co. 5.250%, 5/1/15	109	109
Pioneer Drilling Co. 9.875%, 3/15/18	20	22	CIT Group, Inc. 7.000%, 5/1/16	125	138	KeyBank NA 4.950%, 9/15/15	250	270
QEP Resources, Inc. 6.875%, 3/1/21	100	106	Citigroup, Inc. 5.000%, 9/15/14	75	75	Kimco Realty Corp. 6.875%, 10/1/19	170	181
SEACOR Holdings, Inc. 7.375%, 10/1/19	150	165	4.875%, 5/7/15	100	103	Korea Development Bank 5.300%, 1/17/13	150	174
SESI LLC 144A 6.375%, 5/1/19 ⁽⁴⁾	80	79	5.500%, 2/15/17	40	42	Lincoln National Corp. 6.050%, 4/20/67 ⁽³⁾	137	144
Swift Energy Co. 7.125%, 6/1/17	175	178	City National Corp. 5.250%, 9/15/20	150	156	Lloyds Banking Group Capital No.1 plc 144A 7.875%, 11/1/20 ⁽⁴⁾	100	105
Weatherford International Ltd. 9.625%, 3/1/19	45	58	CommonWealth REIT 5.750%, 11/1/15	45	47	Lloyds TSB Bank plc 144A 6.500%, 9/14/20 ⁽⁴⁾	50	48
		<u>2,477</u>	Credit Suisse 6.000%, 2/15/18	100	102	Macquarie Bank Ltd. 144A 6.625%, 4/7/21 ⁽⁴⁾	50	468
Financials—9.3%			Deutsche Bank Financial LLC 5.375%, 3/2/15	275	293	Morgan Stanley 3.800%, 4/29/16	150	141
ADCB Finance Cayman Ltd. 144A 4.750%, 10/8/14 ⁽⁴⁾	150	157	Discover Bank 7.000%, 4/15/20	125	135	National Capital Trust II 144A 5.486%, 12/29/49 ⁽³⁾⁽⁴⁾	100	101
AFLAC, Inc. 8.500%, 5/15/19	100	122	DuPont Fabros Technology LP 8.500%, 12/15/17	131	140	National Retail Properties, Inc. 5.500%, 7/15/21	150	148
Ally Financial, Inc. Series 8, 6.750%, 12/1/14	49	51	Equity One, Inc. 6.250%, 12/15/14	250	278	Nordea Bank AB 144A 4.875%, 1/14/21 ⁽⁴⁾	950	909
American General (Springleaf) Finance Corp. 5.400%, 12/1/15	100	92	Export-Import Bank of Korea 5.875%, 1/14/15	125	137	ORIX Corp. 5.000%, 1/12/16	150	147
AmSouth Bank N.A. 4.850%, 4/1/13	200	200	Fidelity National Financial Services, Inc. 6.600%, 5/15/17	100	109	Prologis LP 7.625%, 8/15/14	200	202
Associated Banc Corp. 5.125%, 3/28/16	55	57	Fifth Third Bancorp 4.500%, 6/1/18	175	185	Prudential Financial, Inc. 8.875%, 6/15/38 ⁽³⁾⁽⁷⁾	86	89
Assurant, Inc. 5.625%, 2/15/14	250	267	First Niagara Financial Group, Inc. 6.750%, 3/19/20	150	149	Regions Financial Corp. 7.750%, 11/10/14	150	171
Banco Bradesco SA 144A 5.900%, 1/16/21 ⁽⁴⁾	150	152	General Electric Capital Corp. 5.375%, 10/20/16	125	138	Royal Bank of Scotland plc (The) 4.875%, 3/16/15	120	133
Banco de Credito del Peru 144A 4.750%, 3/16/16 ⁽⁴⁾	150	149	Genworth Financial, Inc. 5.750%, 6/15/14	200	220	Senior Housing Properties Trust 4.300%, 1/15/16	50	53
Banco do Brasil SA 144A 5.375%, 1/15/21 ⁽⁴⁾	150	146	Glen Meadow Pass-Through Trust 144A 6.505%, 2/12/67 ⁽³⁾⁽⁴⁾	125	131		55	54
Banco Santander SA 144A 4.500%, 4/6/15 ⁽⁴⁾	100	102		85	85		100	104
144A 3.750%, 9/22/15 ⁽⁴⁾	100	101		135	120		50	50

See Notes to Financial Statements

VIRTUS STRATEGIC ALLOCATION SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		PAR VALUE	VALUE
Financials—continued			Industrials—continued			Materials—continued		
Simon Property Group LP 5.650%, 2/1/20	\$ 50	\$ 54	Deluxe Corp. 144A 7.000%, 3/15/19 ⁽⁴⁾	\$ 60	\$ 60	Carpenter Technology Corp. 5.200%, 7/15/21	\$ 150	\$ 147
SLM Corp. 6.250%, 1/25/16	200	208	Equifax, Inc. 6.300%, 7/1/17	240	265	Catalyst Paper Corp. 7.375%, 3/1/14	135	84
Societe Generale 144A 3.500%, 1/15/16 ⁽⁴⁾	105	104	Griffon Corp. 144A 7.125%, 4/1/18 ⁽⁴⁾	100	101	Celanese US Holdings LLC 6.625%, 10/15/18	10	11
UFJ Finance AEC 6.750%, 7/15/13	275	302	Hutchison Whampoa International Ltd. 144A 5.750%, 9/11/19 ⁽⁴⁾	115	123	Celulosa Arauco 7.250%, 7/29/19	150	171
Unum Group 7.125%, 9/30/16	125	143	ITW Cupids Financing Trust I 144A 6.550%, 12/31/11	2,000	2,014	Cemex SAB de CV 144A 5.246%, 9/30/15 ⁽³⁾⁽⁴⁾	150	145
Vanguard Health Holding Co. II, LLC/Vanguard Holding Co. II, Inc. 7.750%, 2/1/19	56	57	Kratos Defense & Security Solutions, Inc. 10.000%, 6/1/17	130	138	Commercial Metals Co. 7.350%, 8/15/18	170	182
Vnesheconombank Via (VEB Finance Ltd.) 144A 6.902%, 7/9/20 ⁽⁴⁾	155	165	Owens Corning, Inc. 5.500%, 12/1/16	60	65	CRH America, Inc. 6.000%, 9/30/16	255	280
Wachovia Corp. 4.875%, 2/15/14	355	378	Steelcase, Inc. 6.375%, 2/15/21	150	156	8.125%, 7/15/18	150	178
Webster Financial Corp. 5.125%, 4/15/14	65	64	Teekay Corp. 8.500%, 1/15/20	75	78	Gerdau Holdings, Inc. 144A 7.000%, 1/20/20 ⁽⁴⁾	100	111
Westfield Capital Corp., Ltd./Westfield Finance Authority 144A 5.125%, 11/15/14 ⁽⁴⁾	355	387	Voto-Votorantim Ltd. 144A 6.750%, 4/5/21 ⁽⁴⁾	150	160	Solo Cup Co./Solo Cup Operating Corp. 10.500%, 11/1/13	45	47
Willis Group Holdings plc 5.750%, 3/15/21	150	153				USG Corp. 144A 9.750%, 8/1/14 ⁽⁴⁾	21	22
Woori Bank 144A 4.750%, 1/20/16 ⁽⁴⁾	150	157				Verso Paper Holdings LLC/Verso Paper, Inc. Series B, 4.023%, 8/1/14 ⁽³⁾	93	86
Zions Bancorp 5.650%, 5/15/14	500	517				Xstrata Canada Corp. 5.500%, 6/15/17	260	285
		14,414						1,981
Health Care—0.4%			Information Technology—0.9%			Telecommunication Services—0.9%		
Healthsouth Corp. 7.250%, 10/1/18	90	94	Audatex North America, Inc. 144A 6.750%, 6/15/18 ⁽⁴⁾	50	51	Axtel SAB de C.V. 144A 9.000%, 9/22/19 ⁽⁴⁾	38	37
Mylan, Inc. 144A 6.000%, 11/15/18 ⁽⁴⁾	100	102	Broadridge Financial Solutions, Inc. 6.125%, 6/1/17	250	260	Cincinnati Bell, Inc. 8.250%, 10/15/17	60	61
Patheon, Inc. 144A 8.625%, 4/15/17 ⁽⁴⁾	20	20	CDW LLC/CDW Finance Corp. 144A 8.500%, 4/1/19 ⁽⁴⁾	125	123	Clearwire Communications LLC/Clearwire Finance, Inc. 144A 12.000%, 12/1/15 ⁽⁴⁾	20	22
Quest Diagnostics, Inc. 6.400%, 7/1/17	280	323	CommScope, Inc. 144A 8.250%, 1/15/19 ⁽⁴⁾	65	67	Frontier Communications Corp. 7.875%, 4/15/15	55	60
Universal Health Services, Inc. 7.125%, 6/30/16	24	26	Crown Castle Holdings GS V LLC/Crown Castle GS III Corp. 144A 7.750%, 5/1/17 ⁽⁴⁾	150	162	8.125%, 10/1/18	75	82
7.000%, 10/1/18	25	26	EarthLink, Inc. 144A 8.875%, 5/15/19 ⁽⁴⁾	100	91	OJSC Vimpel Communications (VIP Finance Ireland Ltd.) 144A 9.125%, 4/30/18 ⁽⁴⁾	125	142
Valeant Pharmaceuticals International, Inc. 144A 6.500%, 7/15/16 ⁽⁴⁾	100	100	iGate Corp. 144A 9.000%, 5/1/16 ⁽⁴⁾	75	76	Qwest Corp. 6.500%, 6/1/17	143	155
		691	Intuit, Inc. 5.750%, 3/15/17	71	80	SBA Tower Trust 144A 4.254%, 4/15/15 ⁽⁴⁾	225	237
			Jabil Circuit, Inc. 8.250%, 3/15/18	170	195	Telecom Italia Capital SA 5.250%, 10/1/15	200	208
			Seagate HDD Cayman 144A 7.750%, 12/15/18 ⁽⁴⁾	100	106	Telefonica Emisiones, S.A.U. 5.462%, 2/16/21	25	25
			Spansion LLC 144A 7.875%, 11/15/17 ⁽⁴⁾	100	102	Telemar Norte Leste SA 144A 5.500%, 10/23/20 ⁽⁴⁾	100	99
			SunGard Data Systems, Inc. 7.375%, 11/15/18	30	30	Virgin Media Finance plc Series 1, 9.500%, 8/15/16	100	113
						West Corp. 144A 7.875%, 1/15/19 ⁽⁴⁾	100	97
								1,338
			Materials—1.3%					
			AbitibiBowater, Inc. 144A 10.250%, 10/15/18 ⁽⁴⁾	66	72			
			Alcoa, Inc. 5.400%, 4/15/21	150	150			
			Building Materials Corp. of America 144A 6.750%, 5/1/21 ⁽⁴⁾	10	10			

See Notes to Financial Statements

VIRTUS STRATEGIC ALLOCATION SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE		SHARES	VALUE
Utilities—0.8%			Financials—0.1%			PREFERRED STOCK—0.2%		
Centrais Eletricas Brasileiras SA 144A 6.875%, 7/30/19 ⁽⁴⁾	\$ 100	\$ 113	Delos Aircraft, Inc. Tranche 2, 7.000%, 3/17/16	\$ 8	\$ 8	Financials—0.2%		
Great River Energy 144A 5.829%, 7/1/17 ⁽⁴⁾	97	108	International Lease Finance Corp. (Delos Aircraft, Inc.) Tranche 1, 6.750%, 3/17/15	12	12	Ally Financial, Inc. Series G, 144A 7.00% ⁽⁴⁾	84	\$ 79
Korea Electric Power Corp. 144A 5.500%, 7/21/14 ⁽⁴⁾	100	108	iStar Financial, Inc. Tranche A-1 5.000%, 6/28/13	84	83	Banco Bilbao Vizcaya Argentaria S.A. International Preferred S.A. Unipersonal 5.92% ⁽³⁾	110	91
Midwest Generation LLC Series B 8.560%, 1/2/16	117	120	MoneyGram International, Inc. 5.000%, 11/18/17	7	7	JPMorgan Chase & Co. Series 1, 7.90% ⁽²⁾	89	95
NRG Energy, Inc. 144A 7.625%, 5/15/19 ⁽⁴⁾	100	100	Springleaf Financial Funding Co. (American General Finance Corp.) 5.500%, 5/10/17	60	59	TOTAL PREFERRED STOCK (Identified Cost \$200)		265
Suburban Propane Partners LP/Suburban Energy Finance Corp. 7.375%, 3/15/20	45	47	Walter Investments, Inc. 7.750%, 6/30/16	42	41	COMMON STOCKS—58.0%		
TransAlta Corp. 4.750%, 1/15/15	65	69			210	Consumer Discretionary—7.7%		
United Energy Distribution Holdings Property Ltd. 144A 5.450%, 4/15/16 ⁽⁴⁾	500	534	Health Care—0.1%			Amazon.com, Inc. ⁽²⁾	9,000	1,840
		1,199	Surgery Center Holdings, Inc. 6.500%, 2/4/17	66	66	AutoZone, Inc. ⁽²⁾	6,200	1,828
TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$28,887)		30,442	Industrials—0.1%			Comcast Corp. Class A	75,000	1,901
LOAN AGREEMENTS⁽³⁾—0.9%			Brock Holdings III, Inc. 6.000%, 3/16/17	20	20	Darden Restaurants, Inc.	40,000	1,990
Consumer Discretionary—0.2%			Bucyrus International, Inc. Tranche C, 4.250%, 2/19/16	64	65	Lululemon Athletica, Inc. ⁽²⁾	21,000	2,348
Advantage Sales & Marketing, Inc. 5.250%, 12/17/17	17	17			85	McDonald's Corp.	24,000	2,024
Brickman Group Holdings, Inc. Tranche B, 7.250%, 10/14/16	50	50	Information Technology—0.2%					11,931
Chrysler Group LLC/Chrysler Group Co-Issuer, Inc. Tranche B, 6.000%, 5/24/17	100	98	Lawson Software, Inc. 6.750%, 7/5/17	60	58	Energy—9.9%		
Dunkin' Brands, Inc. Tranche B-2, 4.250%, 11/23/17	60	60	Mood Media Corp. 7.000%, 5/6/18	65	64	Alpha Natural Resources, Inc. ⁽²⁾	39,000	1,772
SRAM LLC 4.750%, 6/7/18	32	32	Novell, Inc. (Attachmate Corp.) 6.500%, 4/27/17	100	100	Chesapeake Energy Corp.	52,000	1,544
Universal City Development Partners Ltd. 5.500%, 11/6/14	17	17			222	Chevron Corp.	16,000	1,645
Visant Corp. (Jostens) Tranche B, 5.250%, 12/22/16	75	74	Materials—0.1%			ConocoPhillips	23,000	1,729
		348	Anchor Glass Container Corp. 6.000%, 3/2/16	72	72	El Paso Corp.	87,000	1,757
Consumer Staples—0.1%			CPG International, Inc. Tranche B, 6.000%, 2/18/17	44	44	Halliburton Co.	36,000	1,836
Del Monte Foods Co. 4.500%, 3/8/18	22	22	General Chemical Corp. Tranche B, 5.500%, 10/6/15	49	49	Occidental Petroleum Corp.	16,000	1,665
Revlon Consumer Products Corp. Tranche B, 4.750%, 11/19/17	63	63	JMC Steel Group 4.750%, 4/1/17	20	20	Petroleo Brasileiro S.A. ADR	46,000	1,558
Reynolds Group Holdings Ltd. Tranche 2011, 4.250%, 2/9/18	100	99			185	Williams Cos., Inc. (The)	59,000	1,785
		184	Utilities—0.0%					15,291
			Texas Competitive Electric Holdings Co., LLC Tranche 2014, 3.710%, 10/10/14	68	58	Financials—3.7%		
TOTAL LOAN AGREEMENTS (Identified Cost \$1,368)		1,358				Bank of America Corp.	165,000	1,809
			Industrials—9.9%			Citigroup, Inc.	49,000	2,040
			Alaska Air Group, Inc. ⁽²⁾	31,000	2,122	Goldman Sachs Group, Inc. (The)	14,000	1,863
			Caterpillar, Inc.	17,000	1,810			5,712
			Cummins, Inc.	19,000	1,966	Health Care—4.8%		
			Deere & Co.	22,000	1,814	Abbott Laboratories	36,000	1,894
						Biogen Idec, Inc. ⁽²⁾	18,000	1,925
						Gilead Sciences, Inc. ⁽²⁾	44,000	1,822
						UnitedHealth Group, Inc.	35,000	1,805
								7,446

See Notes to Financial Statements

VIRTUS STRATEGIC ALLOCATION SERIES
SCHEDULE OF INVESTMENTS (Continued)
JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
Industrials—continued		
Foster Wheeler AG ⁽²⁾	55,000	\$ 1,671
L-3 Communications Holdings, Inc.	24,000	2,099
Union Pacific Corp.	19,000	1,984
United Continental Holdings, Inc. ⁽²⁾	83,000	1,878
		<u>15,344</u>
Information Technology—10.2%		
Amkor Technology, Inc. ⁽²⁾	238,796	1,473
Apple, Inc. ⁽²⁾	8,300	2,786
Corning, Inc.	91,000	1,652
Intel Corp.	89,000	1,972
International Business Machines Corp.	12,000	2,059
QUALCOMM, Inc.	35,000	1,988
SanDisk Corp. ⁽²⁾	43,000	1,784
Visa, Inc. Class A	25,000	2,106
		<u>15,820</u>
Materials—7.9%		
Alcoa, Inc.	87,000	1,380
Cliffs Natural Resources, Inc.	21,000	1,941
du Pont (E.I.) de Nemours & Co.	36,000	1,946
Freeport-McMoRan Copper & Gold, Inc.	32,000	1,693
Monsanto Co.	26,000	1,886
Nucor Corp.	34,000	1,401
Potash Corp. of Saskatchewan, Inc.	36,000	2,052
		<u>12,299</u>
Telecommunication Services—1.3%		
Verizon Communications, Inc.	55,000	2,048
TOTAL COMMON STOCKS (Identified Cost \$63,985)		89,853
EXCHANGE-TRADED FUNDS—1.0%		
Consumer Staples Select Sector SPDR Fund	12,678	396
Health Care Select Sector SPDR Fund	35,000	1,243
TOTAL EXCHANGE-TRADED FUNDS (Identified Cost \$1,636)		1,639
TOTAL LONG-TERM INVESTMENTS—98.9% (Identified Cost \$124,971)		153,274

	SHARES	VALUE
SHORT-TERM INVESTMENTS—0.5%		
Money Market Mutual Funds—0.5%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.100%)	721,632	\$ 722
TOTAL SHORT-TERM INVESTMENTS (Identified Cost \$722)		722
TOTAL INVESTMENTS—99.4% (Identified Cost \$125,693)		153,996⁽¹⁾
Other assets and liabilities, net—0.6%		<u>884</u>
NET ASSETS—100.0%		\$154,880

Abbreviations:

ADR	American Depositary Receipt
FGIC	Financial Guaranty Insurance Company
FNMA	Federal National Mortgage Association (“Fannie Mae”)
FSA	Financial Security Assurance, Inc.
GNMA	Government National Mortgage Association (“Ginnie Mae”)
NATL	National Public Finance Guarantee Corp.
PIK	Payment-in-Kind Security
REIT	Real Estate Investment Trust
SPDR	S&P Depositary Receipt

Footnote Legend:

- ⁽¹⁾ Federal Income Tax Information: For tax information at June 30, 2011, see Note 11, Federal Income Tax Information in the Notes to Financial Statements.
- ⁽²⁾ Non-income producing.
- ⁽³⁾ Variable or step coupon security; interest rate shown reflects the rate in effect at June 30, 2011.
- ⁽⁴⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2011, these securities amounted to a value of \$12,933 or 8.4% of net assets.
- ⁽⁵⁾ Regulation S security. Security is offered and sold outside of the United States; therefore, it is exempt from registration with the SEC under rules 903 and 904 of the Securities Act of 1933.
- ⁽⁶⁾ No contractual maturity date.
- ⁽⁷⁾ Interest payments may be deferred.

Country Weightings†

United States (includes short-term investments)	88%
Canada	3
Brazil	2
Australia	1
South Korea	1
Switzerland	1
United Kingdom	1
Other	3
Total	100%

† % of total investments as of June 30, 2011

Foreign Currencies:

AUD	Australian Dollar
CAD	Canadian Dollar
KRW	Korean Won
NOK	Norwegian Krone
NZD	New Zealand Dollar
SEK	Swedish Krona

The following table provides a summary of inputs used to value the Series' investments as of June 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at June 30, 2011	Level 1 – Quoted Prices	Level 2 – Significant Observable Inputs
Investments in Securities:			
Debt Securities:			
Asset-Backed Securities	\$ 2,253	\$ —	\$ 2,253
Corporate Bonds and Notes	30,442	—	30,442
Foreign			
Government Securities	1,796	—	1,796
Loan Agreements	1,358	—	1,358
Mortgage-Backed Securities	20,426	—	20,426
Municipal Bonds	3,723	—	3,723
U.S. Government Securities	1,519	—	1,519
Equity Securities:			
Common Stocks	89,853	89,853	—
Exchange-Traded Funds	1,639	1,639	—
Preferred Stock	265	—	265
Short-Term Investments	722	722	—
Total Investments	\$153,996	\$92,214	\$61,782

There are no Level 3 (significant unobservable inputs) priced securities.

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
STATEMENTS OF ASSETS AND LIABILITIES
JUNE 30, 2011 (Unaudited)

(Amounts reported in thousands except shares and per share amounts)

	<u>Capital Growth Series</u>	<u>Growth & Income Series</u>	<u>International Series</u>	<u>Multi-Sector Fixed Income Series</u>
Assets				
Investment in securities at value ⁽¹⁾	\$ 224,876	\$ 180,026	\$ 388,761	\$ 216,733
Foreign currency at value ⁽²⁾	—	—	853	7
Cash	—	—	—	70
Receivables				
Investment securities sold	—	2,780	1,292	1,294
Fund shares sold	13	6	1	—
Dividends and interest	70	162	1,514	2,740
Tax reclaims	4	—	1,187	—
Prepaid expenses	11	9	19	11
Other assets	94	76	162	92
Total assets	<u>225,068</u>	<u>183,059</u>	<u>393,789</u>	<u>220,947</u>
Liabilities				
Payables				
Fund shares repurchased	53	77	434	75
Investment securities purchased	—	3,217	1,299	1,144
Investment advisory fee	80	54	169	43
Administration fee	16	13	27	15
Distribution and service fees	45	36	80	45
Transfer agent fees and expenses	2	2	2	2
Trustees' fees and expenses	7	5	12	7
Professional fee	30	34	44	34
Other accrued expenses	24	20	62	32
Trustee deferred compensation plan	94	76	162	92
Total liabilities	<u>351</u>	<u>3,534</u>	<u>2,291</u>	<u>1,489</u>
Net Assets	<u>\$ 224,717</u>	<u>\$ 179,525</u>	<u>\$ 391,498</u>	<u>\$ 219,458</u>
Net Assets Consist of:				
Capital paid in on shares of beneficial interest	\$ 265,529	\$ 163,348	\$ 317,359	\$ 219,106
Accumulated undistributed net investment income (loss)	(69)	14	2,981	1,078
Accumulated undistributed net realized gain (loss)	(74,181)	(26,324)	(54,160)	(12,543)
Net unrealized appreciation (depreciation)	33,438	42,487	125,318	11,817
Net Assets	<u>\$ 224,717</u>	<u>\$ 179,525</u>	<u>\$ 391,498</u>	<u>\$ 219,458</u>
Net asset value and offering price per share	<u>\$ 15.55</u>	<u>\$ 13.61</u>	<u>\$ 17.02</u>	<u>\$ 9.67</u>
Shares of beneficial interest outstanding, \$1 par value, unlimited authorization ..	<u>14,450,275</u>	<u>13,190,930</u>	<u>23,006,847</u>	<u>22,695,510</u>
⁽¹⁾ Investments in securities at cost	\$ 191,438	\$ 137,539	\$ 263,571	\$ 204,926
⁽²⁾ Foreign currency at cost	\$ —	\$ —	\$ 851	\$ 7

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
JUNE 30, 2011 (Unaudited)

(Amounts reported in thousands except shares and per share amounts)

	Premium AlphaSector SM Series	Real Estate Securities Series	Small-Cap Growth Series	Small-Cap Value Series	Strategic Allocation Series
Assets					
Investment in securities at value ⁽¹⁾	\$ 1,011	\$ 112,664	\$ 72,181	\$ 153,915	\$ 153,996
Receivables					
Investment securities sold	—	1,012	355	—	2,664
Fund shares sold	—	—	— ⁽²⁾	—	5
Receivable from adviser	3	—	—	—	—
Dividends and interest	— ⁽²⁾	237	25	177	698
Prepaid expenses	— ⁽²⁾	6	4	7	8
Other assets	— ⁽²⁾	46	29	62	65
Total assets	<u>1,014</u>	<u>113,965</u>	<u>72,594</u>	<u>154,161</u>	<u>157,436</u>
Liabilities					
Payables					
Fund shares repurchased	—	171	154	310	61
Investment securities purchased	—	336	—	—	2,291
Investment advisory fee	—	52	29	97	43
Administration fee	— ⁽²⁾	8	5	11	12
Distribution and service fees	— ⁽²⁾	23	15	30	31
Transfer agent fees and expenses	2	2	2	2	2
Trustees' fees and expenses	— ⁽²⁾	3	2	5	5
Professional fee	6	24	25	29	28
Other accrued expenses	— ⁽²⁾	15	7	15	18
Trustee deferred compensation plan	— ⁽²⁾	46	29	62	65
Total liabilities	<u>8</u>	<u>680</u>	<u>268</u>	<u>561</u>	<u>2,556</u>
Net Assets	<u>\$ 1,006</u>	<u>\$ 113,285</u>	<u>\$ 72,326</u>	<u>\$ 153,600</u>	<u>\$ 154,880</u>
Net Assets Consist of:					
Capital paid in on shares of beneficial interest	\$ 1,000	\$ 60,560	\$ 75,736	\$ 153,109	\$ 143,770
Accumulated undistributed net investment income (loss) ...	3	616	(159)	291	73
Accumulated undistributed net realized gain (loss)	—	1,407	(14,413)	(20,029)	(17,266)
Net unrealized appreciation (depreciation)	<u>3</u>	<u>50,702</u>	<u>11,162</u>	<u>20,229</u>	<u>28,303</u>
Net Assets	<u>\$ 1,006</u>	<u>\$ 113,285</u>	<u>\$ 72,326</u>	<u>\$ 153,600</u>	<u>\$ 154,880</u>
Net asset value and offering price per share	<u>\$ 10.06</u>	<u>\$ 28.20</u>	<u>\$ 14.25</u>	<u>\$ 12.98</u>	<u>\$ 12.74</u>
Shares of beneficial interest outstanding, \$1 par value, unlimited authorization	<u>100,000</u>	<u>4,017,820</u>	<u>5,074,018</u>	<u>11,838,186</u>	<u>12,153,870</u>
⁽¹⁾ Investments in securities at cost	\$ 1,008	\$ 61,962	\$ 61,019	\$ 133,686	\$ 125,693
⁽²⁾ Amount is less than \$500.					

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
STATEMENTS OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	<u>Capital Growth Series</u>	<u>Growth & Income Series</u>	<u>International Series</u>	<u>Multi-Sector Fixed Income Series</u>
Investment Income				
Dividends	\$ 1,070	\$ 1,373	\$10,378	\$ 22
Interest	48	2	1	7,973
Foreign taxes withheld	(12)	(9)	(880)	(17)
Total investment income	<u>1,106</u>	<u>1,366</u>	<u>9,499</u>	<u>7,978</u>
Expenses				
Investment advisory fee	807	650	1,447	558
Administration fee	98	79	165	93
Distribution and service fees	288	232	495	279
Transfer agent fee and expenses	7	7	7	7
Custodian fees	— ⁽¹⁾	8	40	18
Printing fees and expenses	30	27	52	31
Professional fees	28	24	43	27
Trustees' fees and expenses	40	32	68	38
Miscellaneous	37	32	67	47
Total expenses	<u>1,335</u>	<u>1,091</u>	<u>2,384</u>	<u>1,098</u>
Less expenses reimbursed by investment adviser	(239)	(255)	(345)	(261)
Net expenses	<u>1,096</u>	<u>836</u>	<u>2,039</u>	<u>837</u>
Net investment income	<u>10</u>	<u>530</u>	<u>7,460</u>	<u>7,141</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net realized gain (loss) on investments	7,073	2,810	8,998	4,904
Net realized gain (loss) on foreign currency transactions	—	—	4	(6)
Net change in unrealized appreciation (depreciation) on investments	6,708	8,726	2,085	(1,498)
Net change in unrealized appreciation (depreciation) on foreign currency translations	—	—	37	— ⁽¹⁾
Net gain (loss) on investments	<u>13,781</u>	<u>11,536</u>	<u>11,124</u>	<u>3,400</u>
Net increase in net assets resulting from operations	<u>\$ 13,791</u>	<u>\$12,066</u>	<u>\$18,584</u>	<u>\$10,541</u>

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
STATEMENTS OF OPERATIONS (Continued)
SIX MONTHS ENDED JUNE 30, 2011 (Unaudited)

(\$ reported in thousands)

	Premium AlphaSector SM Series ⁽²⁾	Real Estate Securities Series	Small-Cap Growth Series	Small-Cap Value Series	Strategic Allocation Series
Investment Income					
Dividends	\$ 9	\$ 1,581	\$ 238	\$ 1,414	\$ 697
Interest	—	—	—	—	1,812
Foreign taxes withheld	—	—	—	—	(6)
Total investment income	<u>9</u>	<u>1,581</u>	<u>238</u>	<u>1,414</u>	<u>2,503</u>
Expenses					
Investment advisory fee	4	420	299	684	471
Administration fee	— ⁽¹⁾	47	29	64	70
Distribution and service fees	1	140	88	190	196
Transfer agent fee and expenses	5	7	7	7	7
Custodian fees	2	3	5	5	5
Printing fees and expenses	2	17	10	22	22
Professional fees	8	20	17	21	24
Trustees' fees and expenses	— ⁽¹⁾	19	12	25	27
Miscellaneous	— ⁽¹⁾	20	13	27	26
Total expenses	<u>22</u>	<u>693</u>	<u>480</u>	<u>1,045</u>	<u>848</u>
Less expenses reimbursed by investment adviser	<u>(16)</u>	<u>(77)</u>	<u>(111)</u>	<u>(57)</u>	<u>(180)</u>
Net expenses	<u>6</u>	<u>616</u>	<u>369</u>	<u>988</u>	<u>668</u>
Net investment income (loss)	<u>3</u>	<u>965</u>	<u>(131)</u>	<u>426</u>	<u>1,835</u>
Net Realized and Unrealized Gain (Loss) on Investments					
Net realized gain (loss) on investments	—	6,667	3,634	2,632	5,157
Net realized gain (loss) on foreign currency transactions	—	—	—	—	(2)
Net change in unrealized appreciation (depreciation) on investments	3	4,386	8,483	14,824	1,820
Net change in unrealized appreciation (depreciation) on foreign currency translations	—	—	—	—	(1)
Net gain (loss) on investments	<u>3</u>	<u>11,053</u>	<u>12,117</u>	<u>17,456</u>	<u>6,974</u>
Net increase in net assets resulting from operations	<u>\$ 6</u>	<u>\$12,018</u>	<u>\$11,986</u>	<u>\$17,882</u>	<u>\$ 8,809</u>

⁽¹⁾ Amount is less than \$500.

⁽²⁾ Inception date February 14, 2011.

See Notes to Financial Statements

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VIRTUS VARIABLE INSURANCE TRUST

STATEMENTS OF CHANGES IN NET ASSETS

(Reported in thousands)

	Capital Growth Series		Growth & Income Series	
	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010
INCREASE/(DECREASE) IN NET ASSETS				
From Operations				
Net investment income (loss)	\$ 10	\$ 793	\$ 530	\$ 969
Net realized gain (loss)	7,073	48,702	2,810	23,957
Net change in unrealized appreciation (depreciation)	6,708	(19,546)	8,726	(9,877)
Increase (decrease) in net assets resulting from operations	<u>13,791</u>	<u>29,949</u>	<u>12,066</u>	<u>15,049</u>
From Distributions to Shareholders				
Net investment income	(116)	(916)	(592)	(1,098)
Decrease in net assets from distributions to shareholders	<u>(116)</u>	<u>(916)</u>	<u>(592)</u>	<u>(1,098)</u>
From Share Transactions				
Sale of shares	2,589	6,280	1,377	3,548
Plans of Reorganization (Note 9)	—	—	—	101,390
Reinvestment of distributions	116	916	592	1,098
Shares repurchased	(19,772)	(44,529)	(23,279)	(20,926)
Increase (decrease) in net assets from share transactions	<u>(17,067)</u>	<u>(37,333)</u>	<u>(21,310)</u>	<u>85,110</u>
Net increase (decrease) in net assets	<u>(3,392)</u>	<u>(8,300)</u>	<u>(9,836)</u>	<u>99,061</u>
Net Assets				
Beginning of period	<u>228,109</u>	<u>236,409</u>	<u>189,361</u>	<u>90,300</u>
End of period	<u>\$224,717</u>	<u>\$228,109</u>	<u>\$179,525</u>	<u>\$189,361</u>
Accumulated undistributed net investment income (loss) at end of period ...	(69)	37	14	76
<hr/>				
Shares				
Sales of shares	168	485	102	308
Plans of Reorganization (Note 9)	—	—	—	8,303
Reinvestment of distributions	8	70	44	98
Shares repurchased	<u>(1,272)</u>	<u>(3,440)</u>	<u>(1,730)</u>	<u>(1,797)</u>
Net Increase/(Decrease)	<u>(1,096)</u>	<u>(2,885)</u>	<u>(1,584)</u>	<u>6,912</u>

See Notes to Financial Statements

International Series		Multi-Sector Fixed Income Series		Premium AlphaSector SM Series	Real Estate Securities Series	
Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010	From Inception February 14, 2011 to June 30, 2011 (Unaudited)	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010
\$ 7,460	\$ 9,267	\$ 7,141	\$ 13,400	\$ 3	\$ 965	\$ 1,386
9,002	8,845	4,898	9,933	—	6,667	12,204
2,122	31,719	(1,498)	3,481	3	4,386	14,258
<u>18,584</u>	<u>49,831</u>	<u>10,541</u>	<u>26,814</u>	<u>6</u>	<u>12,018</u>	<u>27,848</u>
(4,781)	(9,454)	(7,254)	(15,159)	—	(377)	(2,116)
<u>(4,781)</u>	<u>(9,454)</u>	<u>(7,254)</u>	<u>(15,159)</u>	<u>—</u>	<u>(377)</u>	<u>(2,116)</u>
1,909	9,316	1,357	3,805	1,000	1,325	4,975
—	—	—	33,044	—	—	—
4,781	9,454	7,254	15,159	—	377	2,116
(32,602)	(77,246)	(20,300)	(41,910)	—	(10,827)	(34,804)
<u>(25,912)</u>	<u>(58,476)</u>	<u>(11,689)</u>	<u>10,098</u>	<u>1,000</u>	<u>(9,125)</u>	<u>(27,713)</u>
<u>(12,109)</u>	<u>(18,099)</u>	<u>(8,402)</u>	<u>21,753</u>	<u>1,006</u>	<u>2,516</u>	<u>(1,981)</u>
403,607	421,706	227,860	206,107	—	110,769	112,750
<u>\$391,498</u>	<u>\$403,607</u>	<u>\$219,458</u>	<u>\$227,860</u>	<u>\$ 1,006</u>	<u>\$113,285</u>	<u>\$110,769</u>
2,981	302	1,078	1,191	3	616	28
114	636	138	405	100	49	214
—	—	—	3,326	—	—	—
288	644	754	1,635	—	14	91
<u>(1,931)</u>	<u>(5,122)</u>	<u>(2,064)</u>	<u>(4,437)</u>	<u>—</u>	<u>(401)</u>	<u>(1,517)</u>
<u>(1,529)</u>	<u>(3,842)</u>	<u>(1,172)</u>	<u>929</u>	<u>100</u>	<u>(338)</u>	<u>(1,212)</u>

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(Reported in thousands)

	Small-Cap Growth Series		Small-Cap Value Series		Strategic Allocation Series	
	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010	Six Months Ended June 30, 2011 (Unaudited)	Year Ended December 31, 2010
INCREASE/(DECREASE) IN NET ASSETS						
From Operations						
Net investment income (loss)	\$ (131)	\$ (172)	\$ 426	\$ 729	\$ 1,835	\$ 4,135
Net realized gain (loss)	3,634	22,293	2,632	36,932	5,155	9,856
Net change in unrealized appreciation (depreciation)	8,483	(17,709)	14,824	(28,018)	1,819	5,208
Increase (decrease) in net assets resulting from operations	11,986	4,412	17,882	9,643	8,809	19,199
From Distributions to Shareholders						
Net investment income	—	—	(256)	(631)	(1,982)	(4,426)
Net realized long-term gains	(6,550)	—	(9,385)	—	—	—
Decrease in net assets from distributions to shareholders	(6,550)	—	(9,641)	(631)	(1,982)	(4,426)
From Share Transactions						
Sale of shares	1,068	823	795	1,124	1,307	2,703
Plans of Reorganization (Note 9)	—	46,116	—	114,619	—	—
Reinvestment of distributions	6,550	—	9,641	631	1,982	4,426
Shares repurchased	(9,191)	(9,198)	(16,358)	(12,525)	(13,558)	(33,827)
Increase (decrease) in net assets from share transactions	(1,573)	37,741	(5,922)	103,849	(10,269)	(26,698)
Net increase (decrease) in net assets	3,863	42,153	2,319	112,861	(3,442)	(11,925)
Net Assets						
Beginning of period	68,463	26,310	151,281	38,420	158,322	170,247
End of period	<u>\$ 72,326</u>	<u>\$ 68,463</u>	<u>\$153,600</u>	<u>\$151,281</u>	<u>\$154,880</u>	<u>\$158,322</u>
Accumulated undistributed net investment income (loss) at end of period	(159)	(28)	291	121	73	220
Shares						
Sales of shares	75	68	60	100	103	238
Plans of Reorganization (Note 9)	—	3,597	—	9,565	—	—
Reinvestment of distributions	463	—	755	51	157	396
Shares repurchased	(634)	(751)	(1,250)	(1,086)	(1,066)	(2,994)
Net Increase/(Decrease)	<u>(96)</u>	<u>2,914</u>	<u>(435)</u>	<u>8,630</u>	<u>(806)</u>	<u>(2,360)</u>

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽⁹⁾	Net Assets, End of Period (in thousands)	Ratio of Net Operating Expenses to Average Net Assets ⁽⁴⁾	Ratio of Gross Operating Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁴⁾	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
Capital Growth Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$14.67	— ⁽²⁾	0.89	0.89	(0.01)	—	(0.01)	0.88	\$15.55	6.05% ⁽⁹⁾	\$224,717	0.95% ⁽⁸⁾	1.16% ⁽⁸⁾	0.01% ⁽⁸⁾	25% ⁽⁹⁾
1/1/10 to 12/31/10	12.83	0.05	1.85	1.90	(0.06)	—	(0.06)	1.84	14.67	14.88	228,109	0.95	1.05	0.36	166
1/1/09 to 12/31/09	9.95	0.09	2.89	2.98	(0.10)	—	(0.10)	2.88	12.83	29.93	236,409	0.95	1.07	0.85	107
1/1/08 to 12/31/08	16.81	0.01	(6.87)	(6.86)	— ⁽²⁾	—	— ⁽²⁾	(6.86)	9.95	(40.78)	203,188	0.94	0.94	0.08	164
1/1/07 to 12/31/07	15.21	0.04	1.60	1.64	(0.04)	—	(0.04)	1.60	16.81	10.75	400,612	0.91	0.91	0.22	88
1/1/06 to 12/31/06	14.77	0.04	0.43	0.47	(0.03)	—	(0.03)	0.44	15.21	3.22	435,126	0.92	0.92	0.25	182
Growth & Income Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$12.82	0.04	0.80	0.84	(0.05)	—	(0.05)	0.79	\$13.61	6.54% ⁽⁹⁾	\$179,525	0.90% ⁽⁸⁾	1.17% ⁽⁸⁾	0.57% ⁽⁸⁾	17% ⁽⁹⁾
1/1/10 to 12/31/10	11.49	0.11	1.34	1.45	(0.12)	—	(0.12)	1.33	12.82	12.83	189,361	0.90	1.07	0.98	39
1/1/09 to 12/31/09	9.45	0.13	2.07	2.20	(0.16)	—	(0.16)	2.04	11.49	23.50	90,300	0.94	1.11	1.35	109
1/1/08 to 12/31/08	14.94	0.19	(5.35)	(5.16)	(0.17)	(0.16)	(0.33)	(5.49)	9.45	(34.93)	85,111	0.85	0.99	1.51	56
1/1/07 to 12/31/07	14.51	0.16	0.81	0.97	(0.15)	(0.39)	(0.54)	0.43	14.94	6.66	159,074	0.85	0.95	1.03	44
1/1/06 to 12/31/06	12.52	0.16	1.98	2.14	(0.15)	—	(0.15)	1.99	14.51	17.18	167,529	0.91 ⁽⁵⁾	0.97	1.17	37
International Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$16.45	0.32	0.46	0.78	(0.21)	—	(0.21)	0.57	\$17.02	4.76% ⁽⁹⁾	\$391,498	1.03% ⁽⁸⁾	1.20% ⁽⁸⁾	3.77% ⁽⁸⁾	8% ⁽⁹⁾
1/1/10 to 12/31/10	14.86	0.35	1.61	1.96	(0.37)	—	(0.37)	1.59	16.45	13.47	403,607	1.03	1.08	2.36	24
1/1/09 to 12/31/09	10.95	0.31	4.01	4.32	(0.41)	—	(0.41)	3.91	14.86	39.87	421,706	1.03	1.08	2.55	26
1/1/08 to 12/31/08	19.14	0.40	(7.57)	(7.17)	(0.31)	(0.71)	(1.02)	(8.19)	10.95	(38.98)	319,937	1.00	1.00	2.56	33
1/1/07 to 12/31/07	17.80	0.40	2.25	2.65	(0.30)	(1.01)	(1.31)	1.34	19.14	14.94	501,913	0.98	0.98	2.10	34
1/1/06 to 12/31/06	14.29	0.33	3.53	3.86	(0.35)	—	(0.35)	3.51	17.80	27.37	421,281	1.01	1.01	2.06	56
Multi-Sector Fixed Income Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$ 9.55	0.31	0.14	0.45	(0.33)	—	(0.33)	0.12	\$ 9.67	4.72% ⁽⁹⁾	\$219,458	0.75% ⁽⁸⁾	0.98% ⁽⁸⁾	6.39% ⁽⁸⁾	27% ⁽⁹⁾
1/1/10 to 12/31/10	8.98	0.61	0.65	1.26	(0.69)	—	(0.69)	0.57	9.55	14.36	227,860	0.75	0.85	6.48	56
1/1/09 to 12/31/09	6.86	0.57	2.15	2.72	(0.60)	—	(0.60)	2.12	8.98	40.13	206,107	0.75	0.84	7.06	72
1/1/08 to 12/31/08	9.09	0.57	(2.15)	(1.58)	(0.65)	—	(0.65)	(2.23)	6.86	(17.93)	172,901	0.75	0.76	6.69	72
1/1/07 to 12/31/07	9.25	0.53	(0.19)	0.34	(0.50)	—	(0.50)	(0.16)	9.09	3.71	250,867	0.74	0.74	5.65	94
1/1/06 to 12/31/06	9.14	0.52	0.09	0.61	(0.50)	—	(0.50)	0.11	9.25	6.84	245,750	0.74	0.74	5.60	90
Premium AlphaSectorSM Series															
2/14/11 ⁽⁶⁾ to 6/30/11 ⁽⁷⁾	\$10.00	0.03	0.03	0.06	—	—	—	0.06	\$10.06	0.59% ⁽⁹⁾	\$ 1,006	1.70% ⁽⁸⁾	6.15% ⁽⁸⁾	0.75% ⁽⁸⁾	0% ⁽⁹⁾

The footnote legend is at the end of the financial highlights.

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING
THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽³⁾	Net Assets, End of Period (in thousands)	Ratio of Net Operating Expenses to Average Net Assets ⁽⁴⁾	Ratio of Gross Operating Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁴⁾	Ratio of Net Investment Income to Average Net Assets	Portfolio Turnover Rate
Real Estate Securities Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$25.43	0.23	2.63	2.86	(0.09)	—	(0.09)	2.77	\$28.20	11.26% ⁽⁸⁾	\$113,285	1.10% ⁽⁸⁾	1.24% ⁽⁸⁾	1.72% ⁽⁸⁾	13% ⁽⁹⁾
1/1/10 to 12/31/10	20.25	0.28	5.35	5.63	(0.45)	—	(0.45)	5.18	25.43	28.00	110,769	1.10	1.11	1.23	36
1/1/09 to 12/31/09	16.26	0.44	4.12	4.56	(0.57)	—	(0.57)	3.99	20.25	29.11	112,750	1.10	1.11	2.80	43
1/1/08 to 12/31/08	26.82	0.56	(10.17)	(9.61)	(0.37)	(0.58)	(0.95)	(10.56)	16.26	(36.88)	86,199	1.01	1.01	2.33	42
1/1/07 to 12/31/07	35.60	0.51	(6.00)	(5.49)	(0.44)	(2.85)	(3.29)	(8.78)	26.82	(15.71)	135,140	0.98	0.98	1.50	23
1/1/06 to 12/31/06	28.38	0.45	9.90	10.35	(0.44)	(2.69)	(3.13)	7.22	35.60	37.07	187,922	1.02	1.02	1.37	28
Small-Cap Growth Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$13.24	(0.03)	2.46	2.43	—	(1.42)	(1.42)	1.01	\$14.25	18.43% ⁽⁸⁾	\$ 72,326	1.05% ⁽⁸⁾	1.37% ⁽⁸⁾	(0.37)% ⁽⁸⁾	10% ⁽⁹⁾
1/1/10 to 12/31/10	11.66	(0.07)	1.65	1.58	—	—	—	1.58	13.24	13.53	68,463	1.05	1.33	(0.55)	179
1/1/09 to 12/31/09	9.53	(0.08)	2.21	2.13	—	—	—	2.13	11.66	22.39	26,310	1.05	1.41	(0.83)	262
1/1/08 to 12/31/08	17.85	(0.10)	(7.76)	(7.86)	—	(0.46)	(0.46)	(8.32)	9.53	(44.92)	25,716	1.00	1.20	(0.75)	177
1/1/07 to 12/31/07	18.65	(0.12)	3.07	2.95	—	(3.75)	(3.75)	(0.80)	17.85	16.10	55,768	1.00	1.12	(0.62)	59
1/1/06 to 12/31/06	15.61	(0.10)	3.14	3.04	—	—	—	3.04	18.65	19.45	57,653	1.00	1.27	(0.59)	147
Small-Cap Value Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$12.33	0.04	1.47	1.51	(0.02)	(0.84)	(0.86)	0.65	\$12.98	12.41% ⁽⁸⁾	\$153,600	1.30% ⁽⁸⁾	1.38% ⁽⁸⁾	0.56% ⁽⁸⁾	7% ⁽⁹⁾
1/1/10 to 12/31/10	10.55	0.15	1.69	1.84	(0.06)	—	(0.06)	1.78	12.33	17.40	151,281	1.30	1.41	1.34	69
1/1/09 to 12/31/09	8.77	0.01	1.81	1.82	(0.04)	—	(0.04)	1.78	10.55	20.90	38,421	1.30	1.51	0.14	153
1/1/08 to 12/31/08	14.46	0.04	(5.42)	(5.38)	(0.01)	(0.30)	(0.31)	(5.69)	8.77	(37.91)	38,012	1.30	1.38	0.33	50
1/1/07 to 12/31/07	17.03	— ⁽²⁾	(0.30)	(0.30)	—	(2.27)	(2.27)	(2.57)	14.46	(2.10)	73,242	1.30	1.31	(0.03)	32
1/1/06 to 12/31/06	17.02	0.04	2.77	2.81	(0.04)	(2.76)	(2.80)	0.01	17.03	16.75	82,771	1.30	1.35	0.21	55
Strategic Allocation Series															
1/1/11 to 6/30/11 ⁽⁷⁾	\$12.22	0.15	0.54	0.69	(0.17)	—	(0.17)	0.52	\$12.74	5.67% ⁽⁸⁾	\$154,880	0.85% ⁽⁸⁾	1.08% ⁽⁸⁾	2.34% ⁽⁸⁾	21% ⁽⁹⁾
1/1/10 to 12/31/10	11.11	0.30	1.14	1.44	(0.33)	—	(0.33)	1.11	12.22	13.20	158,322	0.85	0.96	2.61	42
1/1/09 to 12/31/09	9.25	0.29	1.94	2.23	(0.37)	—	(0.37)	1.86	11.11	24.51	170,247	0.85	0.95	2.98	89
1/1/08 to 12/31/08	12.95	0.37	(3.60)	(3.23)	(0.35)	(0.12)	(0.47)	(3.70)	9.25	(25.45)	163,271	0.85	0.87	3.19	50
1/1/07 to 12/31/07	13.30	0.36	0.43	0.79	(0.37)	(0.77)	(1.14)	(0.35)	12.95	5.98	270,653	0.84	0.84	2.62	52
1/1/06 to 12/31/06	13.78	0.38	1.31	1.69	(0.38)	(1.79)	(2.17)	(0.48)	13.30	12.69	316,145	0.83	0.84	2.66	86

Footnote Legend:

(1) Computed using average shares outstanding.

(2) Amount is less than \$0.005.

(3) The total return does not include the expenses associated with the annuity or life insurance policy through which you invest.

(4) The Series will also indirectly bear their prorated share of expenses of the underlying funds in which they invest. Such expenses are not included in the calculation of this ratio.

(5) Represents a blended operating ratio.

(6) Inception date

(7) Unaudited

(8) Annualized

(9) Not Annualized

See Notes to Financial Statements

VIRTUS VARIABLE INSURANCE TRUST

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011 (Unaudited)

Note 1—Organization

The Virtus Variable Insurance Trust (the “Trust” or “VVIT”) is organized as a Delaware Statutory Trust and is registered under the Investment Company Act of 1940, as amended (“1940 Act”), as an open-end management investment company. It was formed on February 18, 1986 as a Massachusetts business trust, commenced operations on December 5, 1986 and was reorganized as a Delaware Statutory Trust on February 14, 2011.

The Trust is organized with series, which are currently available only to separate accounts of participating insurance companies to fund variable accumulation annuity contracts and variable universal life insurance policies. As of the date of this report the Trust is comprised of nine series (each a “Series”), each having a distinct investment objective as outlined below.

<u>Series Name</u>	<u>Each Series Seeks to Provide:</u>
Capital Growth Series	Long-term growth of capital.
Growth and Income Series	Capital appreciation and current income.
International Series	High total return consistent with reasonable risk.
Multi-Sector Fixed Income Series	Long-term total return.
Premium AlphaSector SM Series	Long-term capital appreciation.
Real Estate Securities Series	Capital appreciation and income with approximately equal emphasis.
Small-Cap Growth Series	Long-term capital growth.
Small-Cap Value Series	Long-term capital appreciation.
Strategic Allocation Series	High total return over an extended period of time consistent with prudent investment risk.

Note 2—Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and those differences could be significant.

A. Security valuation

Security valuation procedures for the Series have been approved by the Board of Trustees. All internally fair valued securities, referred to below, are approved by a valuation committee appointed under the direction of the Board of Trustees.

The Series utilize a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – prices determined using significant unobservable inputs (including the valuation committee’s own assumptions in determining the fair value of investments)

A description of the valuation techniques applied to the Series’ major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

Equity securities are valued at the official closing price (typically last sale) on the exchange on which the securities are primarily traded, or if no closing price is available, at the last bid price and are categorized as Level 1 in the hierarchy. Restricted Equity Securities and Private Placements that are not widely traded, are illiquid or are internally fair valued by the valuation committee, are generally categorized as Level 3 in the hierarchy.

Certain foreign securities may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S. securities market, or other regional and local developments) may occur between the time that foreign markets close (where the security is principally traded) and the time that the Series calculates its net asset value (generally, the close of the New York Stock Exchange (“NYSE”)) that may impact the value of securities traded in these foreign markets. In such cases the Series fair value foreign securities using an external pricing service which considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, Financial Futures, Exchange Traded Funds, and certain indexes as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain foreign common stocks may occur on a frequent basis.

Debt securities, including restricted securities, are valued based on evaluated quotations received from independent pricing services or from dealers who make markets in such securities. For most bond types, the pricing service utilizes matrix pricing which considers one or more of the following factors: yield or price of bonds of comparable quality, coupon, maturity, current cash flows, type, and current day trade information, as well as dealer supplied prices. These valuations are generally categorized as Level 2 in the hierarchy. Structured Debt Instruments such as mortgage-backed and asset-backed securities may also incorporate collateral analysis and utilize cash flow models for valuation and are generally categorized as Level 2 in the hierarchy. Pricing services do not provide pricing for all securities and therefore indicative bids from dealers are utilized based on pricing models used by market makers in the security and are generally categorized as Level 2 in the hierarchy. Debt securities that are not widely traded, are illiquid, or are internally fair valued by the valuation committee are generally categorized as Level 3 in the hierarchy.

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Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are categorized as Level 1 in the hierarchy. Over the counter (OTC) derivative contracts, which include Forward Currency Contracts and Equity Linked Instruments, do not require material subjectivity as pricing inputs are observed from actively quoted markets and are categorized as Level 2 in the hierarchy.

Investments in open-end mutual funds are valued at their closing net asset value determined as of the close of regular trading on the NYSE (generally 4:00 p.m. Eastern time) each business day and are categorized as Level 1 in the hierarchy.

Short-term Notes having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market and are generally categorized as Level 2 in the hierarchy.

A summary of the inputs used to value the Series' major categories of assets and liabilities, which primarily include investments of the Series, by each major security type is disclosed at the end of the Schedule of Investments for each Series. The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities.

B. Security transactions and related income

Security transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date, or in the case of certain foreign securities, as soon as the Series is notified. Interest income is recorded on the accrual basis. Each Series amortizes premiums and accretes discounts using the effective interest method. Realized gains and losses are determined on the identified cost basis.

Dividend income is recorded using Management's estimate of the income included in distributions received from the REIT investments. Distributions received in excess of this estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from the estimated amounts.

C. Income taxes

Each Series is treated as a separate taxable entity. It is the policy of each Series in the Trust to comply with the requirements of Subchapter M of the Internal Revenue Code and to distribute substantially all of its taxable income to its shareholders. Therefore, no provision for federal income taxes or excise taxes has been made.

Certain Series may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Each Series will accrue such taxes and recoveries as applicable based upon current interpretations of the tax rules and regulations that exist in the markets in which they invest.

The Series have followed the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, which requires the Series to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Series have determined that there was no effect on the financial statements from following this authoritative guidance. The Series do not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The Series file tax returns as prescribed by the tax laws of the jurisdictions in which they operate. In the normal course of business, the Series are subject to examination by federal, state and local jurisdictions, where applicable.

As of June 30, 2011, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2007 forward (with limited exceptions).

D. Distributions to shareholders

Distributions are recorded by each Series on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences may include the treatment of non-taxable dividends, market premium and discount, non-deductible expenses, expiring capital loss carryovers, foreign currency gain or loss, gain or loss on futures contracts, partnerships, operating losses and losses deferred due to wash sales. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest.

E. Expenses

Expenses incurred by the Trust with respect to more than one Series are allocated in proportion to the net assets of each Series, except where allocation of direct expense to each Series or an alternative allocation method is deemed more appropriate. In addition to the net operating expenses that the Series bear directly, the contract owners, as investors in the Series, indirectly bear the Series' pro-rata expenses of any underlying funds in which each Series invests.

F. Foreign currency translation

Foreign securities and other assets and liabilities are valued using the foreign currency exchange rate effective at the end of the reporting period. Cost of investments is translated at the currency exchange rate effective at the trade date. The gain or loss resulting from a change in currency exchange rates between the trade and settlement date of a portfolio transaction is treated as a gain or loss on foreign currency. Likewise, the gain or loss resulting from a change in currency exchange rates between the date income is accrued and the date it is paid is treated as a gain or loss on foreign currency. The Series does not isolate that portion of the results of operations arising from changes in exchange rates or from fluctuations, which arise due to changes in the market prices of securities.

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G. Loan agreements

Certain Series may invest in direct debt instruments, which are interests in amounts owed by a corporate, governmental, or other borrower to lenders or lending syndicates. The Series' investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. A bank or other financial institution (the lender) that acts as agent for all holders often administers a loan. The agent administers the terms of the loan, as specified in the loan agreement. When investing in loan participation, the Series has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan agreement and only upon receipt by the lender of payments from the borrower. The Series generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, the Series may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. When the Series purchases assignments from lenders, it acquires direct rights against the borrower on the loan. Direct indebtedness of emerging countries involves a risk that the government entities responsible for the repayment of the debt may be unable, or unwilling, to pay the principal and interest when due.

H. When-issued and delayed delivery transactions

Certain Series may engage in when-issued or delayed delivery transactions. Each Series records when-issued and delayed delivery securities on the trade date. Each Series maintains collateral for the securities purchased. Securities purchased on a when-issued or delayed delivery basis begin earning interest on the settlement date.

Note 3—Investment Advisory Fees and Related Party Transactions
(\$ reported in thousands except as noted)

A. Adviser

Virtus Investment Advisers, Inc. ("VIA," the "Adviser"), an indirect wholly-owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), is the Adviser to the Trust.

As compensation for its service to the Trust, the Adviser is entitled to a fee based upon the following annual rates as a percentage of the average daily net assets of each separate Series listed below:

<u>Series</u>	<u>Rate for First \$250,000,000</u>	<u>Rate for Next \$250,000,000</u>	<u>Rate for Excess Over \$500,000,000</u>
Capital Growth Series	0.70%	0.65%	0.60%
Growth & Income Series	0.70%	0.65%	0.60%
International Series	0.75%	0.70%	0.65%
Multi-Sector Fixed Income Series	0.50%	0.45%	0.40%
Strategic Allocation Series	0.60%	0.55%	0.50%
	<u>Rate for First \$1 Billion</u>	<u>Rate for Next \$1 Billion</u>	<u>Rate Over \$2 Billion</u>
Real Estate Securities Series	0.75%	0.70%	0.65%
		<u>Rate</u>	
Premium AlphaSector SM Series		1.10%	
Small-Cap Growth Series		0.85	
Small-Cap Value Series		0.90	

The Adviser manages the Series' investment programs and general operations of the Series, including oversight of the Series' subadvisers.

In addition, VIA provides the day-to-day management to Growth & Income Series, Premium AlphaSectorSM Series and the equity portion of Strategic Allocation Series.

B. Subadvisers

The Adviser employs subadvisers to furnish portfolio management services to certain of the Series, subject to Investment Subadvisory Agreements. VIA delegates certain investment decisions and/or research functions with respect to the following Series to the subadviser indicated, for which each is paid a fee by the Adviser.

<u>Series</u>	<u>Subadviser</u>	<u>Series</u>	<u>Subadviser</u>
Capital Growth Series	NewFleet Asset Management, LLC [†]	Real Estate Securities Series	Duff & Phelps Investment Management Co.*
International Series	Aberdeen Asset Management, Inc.	Small-Cap Growth Series	Kayne Anderson Rudnick Investment Management, LLC*
Multi-Sector Fixed Income Series	NewFleet Asset Management, LLC ^{††}	Small-Cap Value Series	Kayne Anderson Rudnick Investment Management, LLC*
Premium AlphaSector SM Series	F-Squared Institutional Advisors, LLC	Strategic Allocation Series (fixed income portfolio)	NewFleet Asset Management, LLC ^{††}

[†] Effective June 2, 2011, SCM Advisors, LLC changed its name to NewFleet Asset Management, LLC. For more information regarding this change, please see the supplements at the back of this report.

^{††} Effective June 17, 2011, NewFleet Asset Management, LLC (formerly named SCM Advisors, LLC) became the subadviser to the Series. For more information regarding this change, please see the supplements at the back of this report.

* Affiliate of the Adviser.

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C. Expense Limits
(\$ reported in thousands)

VIA has contractually agreed to reimburse expenses of certain series of the Trust until at least November 30, 2012^{††}, to the extent that total operating expenses, excluding interest, taxes, extraordinary expenses and acquired fund fees and expenses, if any, exceed the total operating expenses of the Series' average net assets (the "expense caps") as listed in the chart below.

	Maximum Total Operating Expense		Maximum Total Operating Expense
Capital Growth Series	0.95%	Real Estate Securities Series	1.10%
Growth & Income Series	0.90	Small-Cap Growth Series	1.05
International Series	1.03	Small-Cap Value Series	1.30
Multi-Sector Fixed Income Series	0.75	Strategic Allocation Series	0.85
Premium AlphaSector SM Series	1.70		

^{††} For the Premium AlphaSectorSM Series, the contractual expiration date is April 30, 2012.

Effective November 5, 2010, the Adviser may recapture operating expenses waived or reimbursed under this arrangement, within three fiscal years following the end of the fiscal year in which such waiver or reimbursement occurred. Each Series must pay its ordinary operating expenses before the Adviser is entitled to any reimbursement and must remain in compliance with applicable expense limitations. All or a portion of the following Adviser reimbursed expenses may be recaptured by the fiscal year ending:

	Expiration Date	
	2013	Total
Capital Growth Series	\$52	\$52
Growth & Income Series	61	61
International Series	73	73
Multi-Sector Fixed Income Series	50	50
Real Estate Securities Series	9	9
Small-Cap Value Series	5	5
Small-Cap Growth Series	27	27
Strategic Allocation Series	37	37

D. Administration, Distribution and Service Fees

VP Distributors, Inc. ("VP Distributors"), an indirect wholly-owned subsidiary of Virtus, serves as the Administrator to the Trust. For the six months ended June 30, 2011 (the "period"), the Trust incurred administration fees totaling \$645. A portion of these fees is paid to an outside entity that also provides services to the Trust.

VP Distributors is the distributor for all the Series' shares. Pursuant to an Underwriting Agreement, VP Distributors receives a service fee for providing certain distribution services for each series. For the period ended June 30, 2011, VP Distributors received \$1,909, which is included in the Statement of Operations.

E. Trustee Compensation

The Trust provides a deferred compensation plan for its disinterested trustees. Under the deferred compensation plan, disinterested trustees may elect to defer all or a portion of their compensation. Amounts deferred are retained by the Trust, and then, to the extent permitted by the 1940 Act, in turn, may be invested in the shares of unaffiliated mutual funds or variable annuities selected by the disinterested trustees. Investments in such unaffiliated mutual funds are included in "Other Assets" on the Statement of Assets and Liabilities at June 30, 2011.

Note 4—Purchases and Sales of Securities
(\$ reported in thousands except as noted)

Purchases and sales of securities (excluding U.S. Government and agency securities and short-term securities) during the period ended June 30, 2011, were as follows:

	Purchases	Sales
Capital Growth Series	\$58,327	\$76,146
Growth and Income Series	32,456	57,469
International Series	30,829	56,518
Multi-Sector Fixed Income Series	56,588	72,472
Premium AlphaSector SM Series	952	—
Real Estate Securities Series	15,017	23,598
Small-Cap Growth Series	6,717	16,197
Small-Cap Value Series	10,026	24,502
Strategic Allocation Series	25,111	38,264

Purchases and sales of long-term U.S. Government and agency securities during the period ended June 30, 2011, were as follows:

	Purchases	Sales
Multi-Sector Fixed Income Series	\$3,781	\$ 11
Strategic Allocation Series	7,759	6,847

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Note 5—Credit Risk and Asset Concentrations

In countries with limited or developing markets, investments may present greater risks than in more developed markets, and the prices of such investments may be volatile. The consequences of political, social or economic changes in these markets may have disruptive effects on the market prices of these investments and the income they generate, as well as a Series' ability to repatriate such amounts.

High-yield/high-risk securities typically entail greater price volatility and/or principal and interest rate risk. There is a greater chance that an issuer will not be able to make principal and interest payments on time. Analysis of the creditworthiness of issuers of high-yield securities may be complex, and as a result, it may be more difficult for the Adviser and/or subadvisers to accurately predict risk.

Certain Series may invest in Exchange traded Funds ("ETF"), the risk that the value of an ETF will be more volatile than the underlying portfolio of securities the ETF is designed to track, or that the costs to the Series of owning shares of the ETF will exceed those the Series would incur by investing in such securities directly.

Investing in sector funds or non-diversified funds may be more volatile than investing in broadly diversified funds, and may be more susceptible to adverse economic, political or regulatory developments affecting a single issuer than would be the case if it were more broadly diversified.

Certain Series may invest a high percentage of their assets in specific sectors of the market in their pursuit of a greater investment return. Fluctuations in these sectors of concentration may have a greater impact on a Series, positive or negative, than if a Series did not concentrate its investments in such sectors.

At June 30, 2011, the Series held securities in specific sectors as detailed below:

<u>Series</u>	<u>Sector</u>	<u>Percentage of Total Investments</u>
Capital Growth Series	Information Technology	33%
International Series	Financials	25
Small-Cap Growth Series	Health Care	26
Small-Cap Growth Series	Information Technology	26

Note 6—Illiquid and Restricted Securities

Investments are generally considered illiquid if they cannot be disposed of in seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the Series. Additionally, the following information is also considered in determining illiquidity: the frequency of trades and quotes for the investment; whether the investment is listed for trading on a recognized domestic exchange and/or whether two or more brokers are willing to purchase or sell the security at a comparable price; the extent of market making activity in the investment; and the nature of the market for investment. Illiquid securities are noted as such within each Series' Schedule of Investments where applicable.

Restricted securities are not registered under the Securities Act of 1933. Generally, 144A securities are excluded from this category, except where defined as illiquid.

At June 30, 2011, the Trust did not hold restricted securities.

Each Series will bear any costs, including those involved in registration under the Securities Act of 1933, in connection with the disposition of such securities.

Note 7—Indemnifications

Under the Trust's organizational documents and in a separate agreement between each Disinterested Trustee and the Trust, its trustees and officers are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, the Series enter into contracts that contain a variety of indemnifications. The Series' maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these arrangements.

Note 8—Manager of Managers

The Trust and VIA have each received an exemptive order from the Securities and Exchange Commission ("SEC") granting exemptions from certain provisions of the 1940 Act, as amended, pursuant to which VIA will, subject to review and approval of the Trust's Board of Trustees, be permitted to enter into and materially amend subadvisory agreements without such agreements being approved by the shareholders of the applicable Series of the Fund. VIA will continue to have the ultimate responsibility to oversee the subadvisers and recommend their hiring, termination and replacement.

Note 9—Plans of Reorganization

(All amounts except for the per share amounts are reported in thousands)

At special meetings held on July 1, 2010 and July 26, 2010, all of the Trustees of the Trust on behalf of Phoenix Comstock Series ("Comstock," the "Merging Series"), including the Disinterested Trustees, considered and approved the Agreement and Plan of Reorganization (the "Plan") as set forth. The Plan was submitted to shareholders of Comstock Series at a Special Meeting of Shareholders held on October 29, 2010. The assets of the Merging Series were exchanged for shares of the Phoenix Growth & Income Series (the "Acquiring Series") and the assumption of the liabilities of the Merging Series. The purpose of the transaction was to eliminate the offering of overlapping Series with similar investment objectives and similar investment strategies within the Trust, while simultaneously creating economies of scale for the surviving Series that were intended to lower Series expenses. For financial reporting purposes, assets received and shares issued by the Acquiring Series were recorded at fair value; however, the cost basis of the investments received from the Merging Series was carried forward to align ongoing reporting of the Acquiring Series' realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. The acquisitions were accomplished by a tax-free exchange of shares on November 5, 2010.

VIRTUS VARIABLE INSURANCE TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
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<u>Merging Series</u>	<u>11/5/10 Shares Outstanding</u>	<u>Acquiring Series</u>	<u>11/5/10 Shares Converted</u>	<u>Merging Series Net Asset Value</u>
Comstock Series	3,977	Growth & Income Series	3,519	\$42,967

The net assets and net unrealized appreciation (depreciation) immediately before the acquisition were as follows:

<u>Merging Series</u>	<u>Net Assets</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Acquiring Series</u>	<u>Net Assets</u>
Comstock Series	\$42,967	\$7,651	Growth & Income Series	\$84,444

Assuming the acquisition had been completed on January 1, 2010, the Virtus Growth & Income Series' results of operations for the year ended December 31, 2010, would have been as follows:

Net investment income (loss)	\$ 1,454 ^(a)
Net realized and unrealized gain (loss) on investments	21,518 ^(b)
Net increase (decrease) in assets from operations	\$22,972

^(a) \$969, as reported in the Statement of Operations, plus \$485 Net Investment Income from the Comstock Series pre-merger.

^(b) \$14,080, as reported in the Statement of Operations, plus \$7,438 Net Realized and Unrealized Gain (Loss) on Investments from the Comstock Series pre-merger.

At special meetings held on July 1, 2010 and July 26, 2010, all of the Trustees of the Trust on behalf of Phoenix Equity Index 500 Series ("Equity Index 500," the "Merging Series"), including the Disinterested Trustees, considered and approved the Agreement and Plan of Reorganization (the "Plan") as set forth. The Plan was submitted to shareholders of Equity Index 500 Series at a Special Meeting of Shareholders held on October 29, 2010. The assets of the Merging Series were exchanged for shares of the Phoenix Growth & Income Series (the "Acquiring Series") and the assumption of the liabilities of the Merging Series. The purpose of the transaction was to eliminate the offering of overlapping Series with similar investment objectives and similar investment strategies within the Trust, while simultaneously creating economies of scale for the surviving Series that were intended to lower Series expenses. For financial reporting purposes, assets received and shares issued by the Acquiring Series were recorded at fair value; however, the cost basis of the investments received from the Merging Series was carried forward to align ongoing reporting of the Acquiring Series' realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. The acquisitions were accomplished by a tax-free exchange of shares on November 5, 2010.

<u>Merging Series</u>	<u>11/5/10 Shares Outstanding</u>	<u>Acquiring Series</u>	<u>11/5/10 Shares Converted</u>	<u>Merging Series Net Asset Value</u>
Equity 500 Index Series	5,314	Growth & Income Series	4,784	\$58,423

The net assets and net unrealized appreciation (depreciation) immediately before the acquisition were as follows:

<u>Merging Series</u>	<u>Net Assets</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Acquiring Series</u>	<u>Net Assets</u>
Equity Index 500 Series	\$58,423	\$14,559	Growth & income Series	\$84,444

Assuming the acquisition had been completed on January 1, 2010, the Virtus Growth & Income Series' results of operations for the year ended December 31, 2010, would have been as follows:

Net investment income (loss)	\$ 1,721 ^(a)
Net realized and unrealized gain (loss) on investments	27,814 ^(b)
Net increase (decrease) in assets from operations	\$29,535

^(a) \$969, as reported in the Statement of Operations, plus \$752 Net Investment Income from the Equity Index 500 Series pre-merger.

^(b) \$14,080, as reported in the Statement of Operations, plus \$13,734 Net Realized and Unrealized Gain (Loss) on Investments from the Equity Index 500 Series pre-merger.

At special meetings held on July 1, 2010 and July 26, 2010, all of the Trustees of the Trust on behalf of Phoenix Mid-Cap Growth Series ("Mid-Cap Growth," the "Merging Series"), including the Disinterested Trustees, considered and approved the Agreement and Plan of Reorganization (the "Plan") as set forth. The Plan was submitted to shareholders of Mid-Cap Growth Series at a Special Meeting of Shareholders held on October 29, 2010. The assets of the Merging Series were exchanged for shares of the Phoenix Small-Cap Growth Series (the "Acquiring Series") and the assumption of the liabilities of the Merging Series. The purpose of the transaction was to eliminate the offering of overlapping Series with similar investment objectives and similar investment strategies within the Trust, while simultaneously creating economies of scale for the surviving Series that were intended to lower Series expenses. For financial reporting purposes, assets received and shares issued by the Acquiring Series were recorded at fair value; however, the cost basis of the investments received from the Merging Series was carried forward to align ongoing reporting of the Acquiring Series' realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. The acquisitions were accomplished by a tax-free exchange of shares on November 5, 2010.

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<u>Merging Series</u>	<u>11/5/10 Shares Outstanding</u>	<u>Acquiring Series</u>	<u>11/5/10 Shares Converted</u>	<u>Merging Series Net Asset Value</u>
Mid-Cap Growth Series	3,197	Small-Cap Growth Series	3,597	\$46,116

The net assets and net unrealized appreciation (depreciation) immediately before the acquisition were as follows:

<u>Merging Series</u>	<u>Net Assets</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Acquiring Series</u>	<u>Net Assets</u>
Mid-Cap Growth Series	\$46,116	\$13,969	Small-Cap Growth Series	\$22,775

Assuming the acquisition had been completed on January 1, 2010, the Virtus Small-Cap Growth Series' results of operations for the year ended December 31, 2010, would have been as follows:

Net investment income (loss)	\$ (429) ^(a)
Net realized and unrealized gain (loss) on investments	<u>22,037^(b)</u>
Net increase (decrease) in assets from operations	\$21,608

^(a) \$(172), as reported in the Statement of Operations, plus \$(257) Net Investment Income from the Mid-Cap Growth Series pre-merger.

^(b) \$4,584, as reported in the Statement of Operations, plus \$17,453 Net Realized and Unrealized Gain (Loss) on Investments from the Mid-Cap Growth Series pre-merger.

At special meetings held on July 1, 2010 and July 26, 2010, all of the Trustees of the Trust on behalf of Phoenix Mid-Cap Value Series ("Mid-Cap Value," the "Merging Series"), including the Disinterested Trustees, considered and approved the Agreement and Plan of Reorganization (the "Plan") as set forth. The Plan was submitted to shareholders of Mid-Cap Value at a Special Meeting of Shareholders held on October 29, 2010. The assets of the Merging Series were exchanged for shares of the Phoenix Small-Cap Value Series (the "Acquiring Series") and the assumption of the liabilities of the Merging Series. The purpose of the transaction was to eliminate the offering of overlapping Series with similar investment objectives and similar investment strategies within the Trust, while simultaneously creating economies of scale for the surviving Series that were intended to lower Series expenses. For financial reporting purposes, assets received and shares issued by the Acquiring Series were recorded at fair value; however, the cost basis of the investments received from the Merging Series was carried forward to align ongoing reporting of the Acquiring Series' realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. The acquisitions were accomplished by a tax-free exchange of shares on November 5, 2010.

<u>Merging Series</u>	<u>11/5/10 Shares Outstanding</u>	<u>Acquiring Series</u>	<u>11/5/10 Shares Converted</u>	<u>Merging Series Net Asset Value</u>
Mid-Cap Value Series	9,791	Small-Cap Value Series	9,565	\$114,619

The net assets and net unrealized appreciation (depreciation) immediately before the acquisition were as follows:

<u>Merging Series</u>	<u>Net Assets</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Acquiring Series</u>	<u>Net Assets</u>
Mid-Cap Value Series	\$114,619	\$28,302	Small-Cap Value Series	\$37,725

Assuming the acquisition had been completed on January 1, 2010, the Virtus Small-Cap Value Series' results of operations for the year ended December 31, 2010, would have been as follows:

Net investment income (loss)	\$ 758 ^(a)
Net realized and unrealized gain (loss) on investments	<u>52,205^(b)</u>
Net increase (decrease) in assets from operations	\$52,963

^(a) \$729, as reported in the Statement of Operations, plus \$29 Net Investment Income from the Mid-Cap Value Series pre-merger.

^(b) \$8,914, as reported in the Statement of Operations, plus \$43,291 Net Realized and Unrealized Gain (Loss) on Investments from the Mid-Cap Value Series pre-merger.

At special meetings held on July 1, 2010 and July 26, 2010, all of the Trustees of the Trust on behalf of Phoenix Multi-Sector Short Term Bond Series ("Multi-Sector Short Term Bond," the "Merging Series"), including the Disinterested Trustees, considered and approved the Agreement and Plan of Reorganization (the "Plan") as set forth. The Plan was submitted to shareholders of Multi-Sector Short Term Bond at a Special Meeting of Shareholders held on October 29, 2010. The assets of the Merging Series were exchanged for shares of the Phoenix Multi-Sector Fixed Income Series (the "Acquiring Series") and the assumption of the liabilities of the Merging Series. The purpose of the transaction was to eliminate the offering of overlapping Series with similar investment objectives and similar investment strategies within the Trust, while simultaneously creating economies of scale for the surviving Series that were intended to lower Series expenses. For financial reporting purposes, assets received and shares issued by the Acquiring Series were recorded at fair value; however, the cost basis of the investments received from the Merging Series was carried forward to align ongoing reporting of the Acquiring Series' realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. The acquisitions were accomplished by a tax-free exchange of shares on November 5, 2010.

VIRTUS VARIABLE INSURANCE TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011 (Unaudited)

<u>Merging Series</u>	<u>11/5/10 Shares Outstanding</u>	<u>Acquiring Series</u>	<u>11/5/10 Shares Converted</u>	<u>Merging Series Net Asset Value</u>
Multi-Sector Short Term Bond Series	3,112	Multi-Sector Fixed Income Series	3,326	\$33,044

The net assets and net unrealized appreciation (depreciation) immediately before the acquisition were as follows:

<u>Merging Series</u>	<u>Net Assets</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Acquiring Series</u>	<u>Net Assets</u>
Multi-Sector Short Term Bond Series	\$33,044	\$1,972	Multi-Sector Fixed Income Series	\$204,176

Assuming the acquisition had been completed on January 1, 2010, the Virtus Multi-Sector Fixed Income Series' results of operations for the year ended December 31, 2010, would have been as follows:

Net investment income (loss)	\$15,000 ^(a)
Net realized and unrealized gain (loss) on investments	16,036 ^(b)
Net increase (decrease) in assets from operations	\$31,036

^(a) \$13,400, as reported in the Statement of Operations, plus \$1,600 Net Investment Income from the Virtus Multi-Sector Short Term Bond Series pre-merger.

^(b) \$13,414, as reported in the Statement of Operations, plus \$2,622 Net Realized and Unrealized Gain (Loss) on Investments from the Multi-Sector Short Term Bond Series pre-merger.

Note 10—Mixed and Shared Funding

Shares of the Trust are not directly offered to the public. Shares of the Trust are currently offered through separate accounts to fund variable accumulation annuity contracts and variable universal life insurance policies issued by participating insurance companies.

The interests of variable annuity contract owners and variable life policy owners could diverge based on differences in federal and state regulatory requirements, tax laws, investment management or other unanticipated developments. The Trust's Trustees do not foresee any such differences or disadvantages at this time. However, the Trust's Trustees intend to monitor for any material conflicts and will determine what action, if any, should be taken in response to such conflicts. If such a conflict should occur, one or more separate accounts may be required to withdraw its investment in the Trust, or shares of another fund may be substituted.

Note 11—Federal Income Tax Information
(\$ reported in thousands except as noted)

At June 30, 2011, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by each Series were as follows:

<u>Series</u>	<u>Federal Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
Capital Growth Series	\$191,703	\$ 37,440	\$(4,267)	\$ 33,173
Growth and Income Series	139,743	41,916	(1,633)	40,283
International Series	265,633	124,112	(984)	123,128
Multi-Sector Fixed Income Series	205,465	16,418	(5,150)	11,268
Premium AlphaSector SM Series	1,008	24	(21)	3
Real Estate Securities Series	64,492	48,172	0	48,172
Small-Cap Growth Series	61,030	11,330	(179)	11,151
Small-Cap Value Series	133,686	23,321	(3,092)	20,229
Strategic Allocation Series	126,200	29,807	(2,011)	27,796

The following Series have capital loss carryovers, which may be used to offset future capital gains, as follows:

<u>Series</u>	<u>Expiration Year</u>					<u>Total</u>
	<u>2011</u>	<u>2012</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Capital Growth Series	\$5,973	\$2,820	\$ —	\$45,875	\$26,333	\$81,001
Growth & Income Series	575	1,188	6,819	14,070	3,876	26,528
International Series	—	—	—	2,833	58,239	61,072
Multi-Sector Fixed Income Series	—	—	452	4,942	11,514	16,908
Real Estate Securities Series	—	—	—	—	2,272	2,272
Small-Cap Growth Series	—	—	7,590	10,421	—	18,011
Small-Cap Value Series	—	—	—	22,615	—	22,615
Strategic Allocation Series	—	—	—	—	21,888	21,888

The Trust may not realize the benefit of these losses to the extent each Series does not realize gains on investments prior to the expiration of the capital loss carryovers. The Growth & Income Series, Multi-Sector Fixed Income Series, the Small-Cap Growth Series and the Small-Cap Value Series amounts include losses acquired in connection with mergers. Utilization of this capital loss carryover is subject to annual limits.

VIRTUS VARIABLE INSURANCE TRUST
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011 (Unaudited)

Note 12—Recent Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2011-04, “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” ASU No. 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU No. 2011-04 will require reporting entities to disclose quantitative information about the unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy. In addition, ASU No. 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers in and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU No. 2011-04 and its impact on the financial statements has not been determined.

Note 13—Subsequent Events

Management has evaluated the impact of all subsequent events on the Series through the date the financial statements were available for issuance, and has determined that there are no subsequent events requiring recognition or disclosure in these financial statements.

CONSIDERATION OF ADVISORY AND SUB-ADVISORY AGREEMENTS FOR VIRTUS PREMIUM ALPHASECTORSM SERIES BY THE BOARD OF TRUSTEES

The Board of Trustees of the Trust (the "Board") is responsible for determining whether to approve the entering into and continuation of each investment advisory and subadvisory agreement (each an "Agreement") for each series of Virtus Variable Insurance Trust (formerly The Phoenix Edge Series Fund) (the "Trust"). At an in-person meeting held on November 16, 2010, the Board, including a majority of the Trustees who are not interested persons as defined in Section 2(a)(19) of the Investment Company Act of 1940 (the "Independent Trustees"), considered and approved the Advisory Agreement and Limited Services Sub-Advisory Agreement for Virtus Premium AlphaSectorSM Series (the "Series").

In reaching their decisions the Board requested and evaluated information provided by Virtus Investment Advisers, Inc. ("VIA") and F-Squared Institutional Advisors, LLC ("F-Squared" or the "Subadviser") which, in the Board's view, constituted information necessary for the Board to form a judgment as to whether entering into the Advisory Agreement and Subadvisory Agreement would be in the best interests of the Trust and Series' shareholders.

During the approval process, the Board received assistance and advice from, and met separately with, independent legal counsel. For the Advisory Agreement, the Board considered all the criteria separately with respect to the Trust, the Series and shareholders. For the Subadvisory Agreement, it considered all the criteria separately with respect to the Series and its shareholders. In their deliberations, the Trustees considered various factors, including those discussed below, none of which were controlling, and each Trustee may have attributed different weights to the various factors.

ADVISORY AGREEMENT

Nature, Extent and Quality of Services. The Trustees received in advance of the meeting information in the form of an extensive questionnaire completed by VIA concerning a number of topics, including its investment philosophy, resources, operations and compliance structure. The Trustees also had the benefit of a presentation made by VIA's senior management personnel, where a number of topics, including VIA's history, investment process, investment strategies, diversification, assets under management, personnel, compliance procedures and the firm's overall performance were reviewed and discussed. The Trustees noted that VIA would provide portfolio management oversight, compliance with the Series' investment policies and procedures, compliance with applicable securities laws and assurances thereof. In considering approval of the Advisory Agreement, the Trustees also considered VIA's investment management process including (a) the experience, capability and integrity of its management and other personnel committed by VIA to the Series; (b) the financial position of VIA; and (c) the quality and commitment of VIA's regulatory and legal compliance policies, procedures and systems. The quality of administrative and other services to be provided by VIA and its affiliates, including VIA's role in coordinating the activities of the Series' other service providers, was also considered. The Board concluded that the nature, extent and quality of the services to be provided by VIA to the Series were reasonable.

Investment Performance. The Trustees noted that the prior performance of the registered funds managed by VIA with substantially similar investment objectives, strategies and policies of the Series were considered satisfactory when compared to the performance of their peer groups and relevant indexes. The Board believes that Series shareholders can benefit from management of the Series' assets by VIA, which has demonstrated favorable long-term performance for various asset classes.

Profitability. The Board also considered certain information relating to profitability that had been provided by VIA, noting VIA's intention to cap the Series' total expenses during the startup phase. The Board also noted that the Series' subadvisory fees would be paid by VIA out of its management fee. In reviewing the overall profitability of the management fee to the Manager, the Board also considered the fact that VP Distributors, Inc. would provide distribution, shareholder servicing and administrative services to the Series for which it would receive compensation. The Board concluded that the expected profitability to VIA and its affiliates was reasonable in light of the quality of all services rendered to the Series by VIA and its affiliates.

Management Fees and Total Expenses. In evaluating the proposed management fees and estimated total expenses of the Series, the Board reviewed information provided by VIA and comparisons to other funds in the Series' peer group. Among other data provided, the Board noted that the proposed management fee and total expenses were within the range of other funds deemed to be comparable to the Series by management. The Board also noted that the subadvisory fees to be paid would be paid by VIA and not by the Series. As noted above, the Board also took into account that the reimbursements that would be provided to the Series by VIA in order to limit the total expenses incurred by the Series and its shareholders. Based upon the information presented by VIA, the Trustees determined that the proposed management fees charged by VIA were fair and reasonable in light of services to be provided and all factors considered and that the total expenses of the Series were reasonable.

Economies of Scale. The Board noted that reimbursements would be in place for the Series. The Board determined that VIA and the Series likely would achieve certain economies of scale if the assets of the Series were to increase, particularly in relationship to certain fixed costs, and shareholders of the Series would have an opportunity to benefit from these economies of scale.

**CONSIDERATION OF ADVISORY AND SUB-ADVISORY AGREEMENTS
FOR VIRTUS PREMIUM ALPHASECTORSM SERIES
BY THE BOARD OF TRUSTEES (Continued)**

LIMITED SERVICES SUBADVISORY AGREEMENT

Nature, Extent and Quality of Services. The Trustees received in advance of the meeting information in the form of an extensive questionnaire completed by F-Squared concerning a number of topics, including its investment philosophy, resources, operations and compliance structure. In considering the approval of the Subadvisory Agreement, therefore, the Trustees considered F-Squared's management process, including (a) the experience, capability and integrity of F-Squared's management and other personnel committed by F-Squared to the Series; (b) the quality and commitment of F-Squared's regulatory and legal compliance policies, procedures and systems; and (c) F-Squared's brokerage and trading practices. The Board concluded that the nature, extent and quality of the services to be provided by the Subadviser to the Series were reasonable.

Investment Performance. Because the Fund had not commenced operations, the Board could not evaluate prior investment performance for the Fund. The Board took into account the Subadviser's performance with respect to certain similar funds in the Virtus complex. The Board reviewed and was satisfied with the Subadviser's investment approach and the investment performance of the historical investment returns of the AlphaSector Premium Index as published by Active Index Solutions, LLC, as compared with certain broad market indexes.

Subadvisory Fee. The Board took into account the proposed rate of the investment subadvisory fee under the Subadvisory Agreement. The Board also noted that the Series' subadvisory fees are paid by VIA and not by the Series, so that Series shareholders would not be directly impacted by those fees. The Board also took into account a comparison of the sub-advisory fees paid by the Adviser to fees charged by the Subadviser to manage another comparable sub-advised portfolio as well as similarly managed institutional accounts. The Board concluded that the proposed subadvisory fee was fair and reasonable in light of services to be provided by F-Squared and all factors considered.

Profitability and Economies of Scale. In considering the profitability to F-Squared of its relationship with the Series, the Board noted that the fee under the Subadvisory Agreement would be paid by VIA out of the advisory fee that it receives under the Advisory Agreement and were the product of arm's-length negotiation by VIA. For this reason, the profitability to F-Squared of its relationship with the Series was not a material factor in the Board's deliberations at this time. For similar reasons, the Board did not consider the potential economies of scale in F-Squared's management of the Series to be a material factor in its considerations at this time.

Other Benefits. The Board considered other benefits that may be realized by the Subadviser and its affiliates from their relationship with the Series. The Board noted management's discussion of the fact that there are no other tangible benefits to F-Squared in providing investment advisory services to the Series, other than the fees earned under the Subadvisory Agreement. There may be certain intangible benefits gained to the extent that managing the Series could enhance F-Squared's reputation in the marketplace, and therefore, would enable F-Squared to attract additional client relationships.

Based on all of the foregoing considerations, the Board, including the Independent Trustees, determined that approval of each Agreement was in the best interests of the Series and its shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Agreements with respect to the Series.

CONSIDERATION OF SUB-ADVISORY AGREEMENTS FOR VIRTUS MULTI-SECTOR FIXED INCOME SERIES AND VIRTUS STRATEGIC ALLOCATION SERIES BY THE BOARD OF TRUSTEES

The Board of Trustees (the “Board”) of Virtus Variable Insurance Trust (the “Trust”), including a majority of the Trustees who are not interested persons as defined in Section 2(a)(19) of the Investment Company Act of 1940 (the “Independent Trustees”), last renewed the investment advisory agreement between Virtus Investment Advisers, Inc. (the “Adviser” or “VIA”) and the Virtus Multi-Sector Fixed Income Series and the Virtus Strategic Allocation Series (each a “Series” and collectively, the “Series”) (the “Advisory Agreement”), and the investment subadvisory agreement between VIA and Newfleet Asset Management, LLC (formerly SCM Advisors, LLC), with respect to certain other series of the Trust, at an in-person meeting held on July 26, 2010. The subadvisory agreement with the Series’ previous investment subadviser was terminated effective June 1, 2011. At an in-person Board meeting held on June 17, 2011, Fund Management recommended that Newfleet Asset Management, LLC (“Newfleet” or the “Subadviser”) be appointed as subadviser to the Series and that the Adviser enter into a new subadvisory agreement with Newfleet (the “Subadvisory Agreement”). The Board considered and approved the Subadvisory Agreement for each of the Series with Newfleet, as further discussed below.

In evaluating the proposal to appoint Newfleet, the Board requested and evaluated information provided by the Adviser and Newfleet which, in the Board’s view, constituted information necessary for the Board to form a judgment as to whether the subadviser change would be in the best interests of each Series and its shareholders. The Board also took into account discussions with management and information provided to the Board in its meetings throughout the year with respect to the services provided by the previous subadviser to the Series with respect to the portfolio management team, as well as the services provided by the proposed Subadviser to the Series with respect to other series in the Trust. The Board also took into account information received at a special Board meeting held on July 1, 2011. The Board noted the affiliation of the Subadviser with VIA and any potential conflicts of interest.

The Independent Trustees were separately advised by independent legal counsel throughout the process. The Board considered all the criteria separately with respect to each Series and its shareholders. In their deliberations, the Trustees considered various factors, including those discussed below, none of which were controlling, and each Trustee may have attributed different weights to the various factors. The Board also discussed the proposed approval of the Subadvisory Agreement in private sessions with their independent legal counsel at which no representatives of management were present.

BASIS FOR THE BOARD’S APPROVAL

In making its determination with respect to the Subadvisory Agreement, the Trustees considered various factors, including:

- **Nature, extent, and quality of the services to be provided by the Subadviser.** The Trustees received in advance of the meeting information in the form of an extensive questionnaire completed by the Subadviser concerning a number of topics, including its investment philosophy, resources, operations and compliance structure. The Trustees noted that the portfolio management team would not change, and that the Subadviser would provide portfolio management, compliance with each Series’ investment policies and procedures, compliance with applicable securities laws and assurances thereof. The Trustees reviewed biographical information for the portfolio manager who would continue to provide services under the Subadvisory Agreement and noted the breadth and depth of experience presented. In considering the approval of the Subadvisory Agreement, the Trustees considered the Subadviser’s investment management process, including (a) the experience, capability and integrity of the Subadviser’s management and other personnel committed by the Subadviser to the Series; (b) the financial position of the Subadviser; (c) the quality and commitment of the Subadviser’s regulatory and legal compliance policies, procedures and systems; and (d) the Subadviser’s brokerage and trading practices. The Board also took into account its familiarity with the Subadviser in providing services to another series of the Trust. The Board concluded that the nature, extent and quality of the services to be provided by the Subadviser to the Series were reasonable;
- **Investment Performance.** The Board considered the performance of the Series relative to its benchmark and comparable funds. Among other performance data provided, the Board noted that the Multi-Sector Fixed Income Series’ performance ranking was in the top 16%, 11% and 5%, respectively, of its Lipper peer group for the 1-year, 3-year and 5-year periods ended March 31, 2011 and had outperformed its benchmark for the same periods. The Board noted that the Strategic Allocation Series’ performance ranking was in the top 7%, 12% and 27%, respectively, of its Lipper peer group for the 1-year, 3-year and 5-year periods ended March 31, 2011 and had outperformed its benchmark for the same periods. The Board also noted each Series’ strong performance over more recent periods. The Board took into account that the same portfolio management team that currently managed the Series would continue to do so under the Subadvisory Agreement. The Board concluded that the performance of each of the Series was satisfactory;
- **Subadvisory Fee.** The Board took into account that the rate of the investment subadvisory fee that would be paid by VIA (and not the Series) under the Subadvisory Agreement would remain substantially unchanged from the fees paid under the previous subadvisory agreement. In addition, the fees paid by the Series to VIA under the Advisory Agreement would not change. The Board also noted that the Series’ subadvisory fees are paid by VIA and not by the Series, so that Series shareholders are not directly impacted by those fees. The Board also took into account a comparison of the sub-advisory fees paid by the Adviser to fees charged by the Subadviser to manage other comparable sub-advised portfolios. The Board concluded that the proposed subadvisory fee was fair and reasonable in light of services to be provided by Newfleet and all factors considered;

**CONSIDERATION OF SUB-ADVISORY AGREEMENTS FOR
VIRTUS MULTI-SECTOR FIXED INCOME SERIES AND
VIRTUS STRATEGIC ALLOCATION SERIES
BY THE BOARD OF TRUSTEES (Continued)**

- **Profitability and economies of scale.** In considering the profitability to the Subadviser of its relationship with the Series, along with the fact that the fees under the Subadvisory Agreement are paid by VIA out of the advisory fees that it receives under the Advisory Agreement and not by the Series, the Board noted that the subadvisory fees would be paid at substantially the same level as under the previous subadvisory agreement. The Board also noted that the advisory fee to be paid by each Series to VIA would not change. In addition, the Board noted that VIA had implemented expense limitations with respect to the total net operating expenses of the Series. For these reasons, the profitability to the Subadviser of its relationship with the Series was not a material factor in the Board's deliberations at this time. For similar reasons, the Board did not consider the potential economies of scale in the Subadviser's management of the Series to be a material factor in its consideration at this time.
- **Other Benefits.** The Board considered other benefits that may be realized by the Subadviser and its affiliates from their relationship with the Series. The Board noted management's discussion of the fact that, while the Subadviser is an affiliate of VIA, there are no other tangible benefits to the Subadviser or VIA in providing investment advisory services to the Series, other than the fee to be earned under the Subadvisory Agreement. There may be certain intangible benefits gained to the extent that serving the Series could provide the opportunity to provide advisory services to additional series of the Trust or could enhance the Subadviser's reputation in the marketplace, and, therefore, would enable the Subadviser to attract additional client relationships.

Based on all of the foregoing considerations, the Board, including the Independent Trustees, determined that approval of the Subadvisory Agreement was in the best interests of each Series and its respective shareholders. Accordingly, the Board, and the Independent Trustees voting separately, approved the Subadvisory Agreement with respect to each Series.

VIRTUS VARIABLE INSURANCE TRUST

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Francis G. Waltman, Senior Vice President
Mark S. Flynn, Anti-Money Laundering
Compliance Officer and Assistant
Secretary
Nancy J. Engberg, Vice President and
Chief Compliance Officer
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Important Notice to Shareholders

The Securities and Exchange Commission has modified mailing regulations for semiannual and annual shareholder fund reports to allow mutual fund companies to send a single copy of these reports to shareholders who share the same mailing address. If you would like additional copies, please call Mutual Fund Services at 1-800-367-5877.

**Virtus Multi-Sector Fixed Income Series,
Virtus Strategic Allocation Series
and Virtus Capital Growth Series,
each a series of Virtus Variable Insurance Trust**

Supplement dated June 2, 2011 to the Prospectuses dated May 1, 2011

IMPORTANT NOTICE TO INVESTORS

Virtus Multi-Sector Fixed Income Series and Virtus Strategic Allocation Series

Effective June 2, 2011, Goodwin Capital Advisers, Inc. (“Goodwin”) is no longer the subadviser to the above-named series. Also effective on June 2, 2011, the portfolio managers at Goodwin responsible for the series, along with their support team, became employed by Virtus Investment Advisers, Inc. (“VIA”), the series’ investment adviser, thereby continuing management by the current portfolio management team.

No changes to the series’ principal investment strategies are being made. Also, the fees and expenses paid by the series remain unchanged.

Each of the above-named series’ summary and statutory prospectuses is hereby revised as described below.

- The second sentence under “The Adviser and Subadviser” in the series’ summary prospectuses and in the summary sections of the series’ statutory prospectuses naming Goodwin as subadviser is deleted.
- The disclosure in the second paragraph under “The Adviser” is revised to indicate that VIA also provides day-to-day management of the series. The description of Goodwin as subadviser to the series is deleted, as is the sentence describing services VIA provides to Goodwin for the municipal securities sector.
- The caption “The Subadviser” and the associated description of Goodwin are deleted.

Virtus Multi-Sector Fixed Income Series only

- The description of Mr. Albrycht under “Portfolio Manager” in the series’ summary prospectus and in the summary section of the series’ statutory prospectus is replaced with:

David L. Albrycht, CFA, Chief Investment Officer – Multi-Sector Fixed Income Strategies at VIA, is the manager of the series. Mr. Albrycht has managed the portfolio since 1998.

- The disclosure under “Portfolio Management” on page 8 is replaced with the following:

David L. Albrycht, CFA. Mr. Albrycht is Chief Investment Officer – Multi-Sector Fixed Income Strategies at VIA (since June 2011). Mr. Albrycht has been Portfolio Manager of the fund since 1998. He is also the lead portfolio manager of three retail fixed income mutual funds (Virtus Multi-Sector Fixed Income Fund, Virtus Multi-Sector Short Term Bond Fund and Virtus Senior Floating Rate Fund) and the fixed income portion of Virtus Strategic Allocation Series. Until June 2011, he was Executive Managing Director (2008 to 2011) and Vice President (2005 to 2008), Fixed Income, of Goodwin Capital Advisers, Inc. (“Goodwin”). Previously, he was associated with VIA, at which time it was an affiliate of Goodwin. He managed fixed income portfolios for Goodwin affiliates since 1991.

**Virtus Multi-Sector Fixed Income Series,
Virtus Strategic Allocation Series
and Virtus Capital Growth Series,
each a series of Virtus Variable Insurance Trust**

Supplement dated June 2, 2011 to the Prospectuses dated May 1, 2011 (Continued)

Virtus Strategic Allocation Series only

- The description of Mr. Albrycht under “Portfolio Manager” in the series’ summary prospectus and in the summary sections of the series’ statutory prospectus is replaced with:

David L. Albrycht, CFA, Chief Investment Officer – Multi-Sector Fixed Income Strategies at VIA, is the manager of the series. Mr. Albrycht has served as a portfolio manager for the series since 2007.

- The disclosure under “Portfolio Management” on page 8 is replaced with the following:

David L. Albrycht, CFA. Mr. Albrycht is Chief Investment Officer – Multi-Sector Fixed Income Strategies at VIA (since June 2011). Mr. Albrycht has been Portfolio Manager of the fund since 2007. He is also the lead portfolio manager of three retail fixed income mutual funds (Virtus Multi-Sector Fixed Income Fund, Virtus Multi-Sector Short Term Bond Fund and Virtus Senior Floating Rate Fund) and Virtus Multi-Sector Fixed Income Series. Until June 2011, he was Executive Managing Director (2008 to 2011) and Vice President (2005 to 2008), Fixed Income, of Goodwin Capital Advisers, Inc. (“Goodwin”). Previously, he was associated with VIA, at which time it was an affiliate of Goodwin. He managed fixed income portfolios for Goodwin affiliates since 1991.

Virtus Capital Growth Series only

Effective June 2, 2011, SCM Advisors, LLC, subadviser to the above-named series, changed its name to Newfleet Asset Management, LLC. Accordingly, all references to SCM Advisors, LLC in the series’ summary prospectus and statutory prospectus are hereby changed to references to “Newfleet Asset Management, LLC” and all references to SCM Advisors are changed to references to “Newfleet.”

Investors should retain this supplement with the Prospectuses for future reference.

**Virtus Multi-Sector Fixed Income Series
and Virtus Strategic Allocation Series,
each a series of Virtus Variable Insurance Trust**

Supplement dated June 17, 2011 to the
Prospectuses dated May 1, 2011, as supplemented

IMPORTANT NOTICE TO INVESTORS

As approved by the Board of Trustees of Virtus Variable Insurance Trust, effective June 17, 2011, Newfleet Asset Management, LLC (formerly named SCM Advisors LLC) (“Newfleet”) became the investment subadviser for Virtus Multi-Sector Fixed Income Series and Virtus Strategic Allocation Series (fixed income portion only). The portfolio managers at VIA responsible for the series, along with their support team, will continue to manage the series on behalf of Newfleet, thereby continuing management by the current portfolio management team.

No changes to the series’ principal investment strategies are being made. Also, the fees and expenses paid by the series remain unchanged.

Each of the series’ summary and statutory prospectuses is hereby revised as described below.

Virtus Multi-Sector Fixed Income Series only

- Under “The Adviser and Subadviser” in the series’ summary prospectus and in the summary section of the series’ statutory prospectus, the following disclosure is inserted after the description of VIA as the series investment adviser:

Newfleet Asset Management, LLC (“Newfleet”), an affiliate of VIA, is the subadviser to the series (since June 2011).

- The description of Mr. Albrycht under “Portfolio Manager” in the series’ summary prospectus and in the summary section of the series’ statutory prospectus is replaced with:

David L. Albrycht, CFA, Chief Investment Officer – Multi-Sector Fixed Income Strategies at Newfleet, is the manager of the series. Mr. Albrycht has managed the portfolio since 1998.

- Under “The Adviser” in the series’ statutory prospectuses, the following disclosure replaces the second paragraph:

Pursuant to the Investment Advisory Agreement with the series and subject to the direction of the Trust’s Board of Trustees, VIA is responsible for managing the series’ investment program in conformity with the stated policies of the series as described in this prospectus. VIA, with the approval of the Trust’s Board of Trustees, has selected Newfleet to serve as subadviser and perform the day-to-day management of the series. Newfleet, subject to the supervision of VIA, is responsible for deciding which securities to purchase and sell for the series and for placing the series’ transactions.

- The following disclosure is inserted at the end of the section “The Adviser”:

The Subadviser

Newfleet Asset Management, LLC (formerly named SCM Advisors LLC) (“Newfleet”), an affiliate of VIA, is the subadviser to the series (since June 2011) and has an office at 100 Pearl Street, Hartford, CT 06103. Newfleet acts as subadviser to mutual funds and as adviser to institutions and individuals. As of December 31, 2010, Newfleet had approximately \$3.4 billion in assets under management. Newfleet has been an investment adviser since 1989.

From its investment management fee, VIA, and not the series, pays Newfleet for the management services it provides to the series at the annual rate of 0.20% of its average net assets.

- The disclosure under “Portfolio Management” on page 8 is replaced with the following:

David L. Albrycht, CFA. Mr. Albrycht is Chief Investment Officer – Multi-Sector Fixed Income Strategies at Newfleet (since June 2011). Mr. Albrycht has been Portfolio Manager of the fund since 1998. He is also the lead portfolio manager of three retail fixed income mutual funds (Virtus Multi-Sector Fixed Income Fund, Virtus Multi-Sector Short Term Bond Fund and Virtus Senior Floating Rate Fund) and the fixed income portion of Virtus Strategic Allocation Series. Until June 2011, he was Executive Managing Director (2008 to 2011) and Vice President (2005 to 2008), Fixed Income, of Goodwin Capital Advisers, Inc. Previously, he was associated with VIA, at which time it was an affiliate of Goodwin. He managed fixed income portfolios for Goodwin affiliates since 1991.

**Virtus Multi-Sector Fixed Income Series
and Virtus Strategic Allocation Series,
each a series of Virtus Variable Insurance Trust**

Supplement dated June 17, 2011 to the
Prospectuses dated May 1, 2011, as supplemented (Continued)

Virtus Strategic Allocation Series only

- Under “The Adviser and Subadviser” in the series’ summary prospectus and in the summary section of the series’ statutory prospectuses, the following disclosure is inserted following the description of VIA as the series investment adviser:

Newfleet Asset Management, LLC (“Newfleet”), an affiliate of VIA, is the subadviser for the fixed income portion of the series (since June 2011).

- The description of Mr. Albrycht under “Portfolio Manager” in the series’ summary prospectuses and in the summary sections of the series’ statutory prospectuses is replaced with:

David L. Albrycht, CFA, Chief Investment Officer – Multi-Sector Fixed Income Strategies at Newfleet, is a manager of the series. Mr. Albrycht has served as a portfolio manager for the series since 2007.

- Under “The Adviser” in the series’ statutory prospectuses, the following disclosure replaces the second paragraph:

Pursuant to the Investment Advisory Agreement with the series and subject to the direction of the Trust’s Board of Trustees, VIA is responsible for managing the series’ investment program in conformity with the stated policies of the series as described in this prospectus. VIA also performs the day-to-day management of the equity portion of the series. VIA, with the approval of the Trust’s Board of Trustees, has selected Newfleet to serve as subadviser and perform the day-to-day management of the fixed income portion of the series. VIA and Newfleet are responsible for deciding which securities to purchase and sell for the series and for placing the series’ transactions.

- The following disclosure is inserted at the end of the section “The Adviser”:

The Subadviser

Newfleet Asset Management, LLC (formerly named SCM Advisors LLC) (“Newfleet”), an affiliate of VIA, is the subadviser to the series (since June 2011) and has an office at 100 Pearl Street, Hartford, CT 06103. Newfleet acts as subadviser to mutual funds and as adviser to institutions and individuals. As of December 31, 2010, Newfleet had approximately \$3.4 billion in assets under management. Newfleet has been an investment adviser since 1989.

From its investment management fee, VIA, and not the series, pays Newfleet for the management services it provides to the series at the annual rate of 0.23% of its average net assets (fixed income only).

- The disclosure under “Portfolio Management” on page 8 is replaced with the following:

Newfleet

David L. Albrycht, CFA. Mr. Albrycht is Chief Investment Officer – Multi-Sector Fixed Income Strategies at Newfleet (since June 2011). Mr. Albrycht has been Portfolio Manager of the fund since 2007. He is also the lead portfolio manager of three retail fixed income mutual funds (Virtus Multi-Sector Fixed Income Fund, Virtus Multi-Sector Short Term Bond Fund and Virtus Senior Floating Rate Fund) and the Virtus Multi-Sector Fixed Income Series. Until June 2011, he was Executive Managing Director (2008 to 2011) and Vice President (2005 to 2008), Fixed Income, of Goodwin Capital Advisers, Inc. Previously, he was associated with VIA, at which time it was an affiliate of Goodwin. He managed fixed income portfolios for Goodwin affiliates since 1991.

Investors should retain this supplement with the Prospectus for future reference.

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100 Pearl Street
Hartford, CT 06103

For more information about the Virtus Variable Insurance Trust,
please contact us at **1-800-367-5877** or **Virtus.com**.