

Q2 Virtus KAR Small-Cap Growth Series

19 A Series of Virtus Variable Insurance Trust



INVESTMENT OVERVIEW

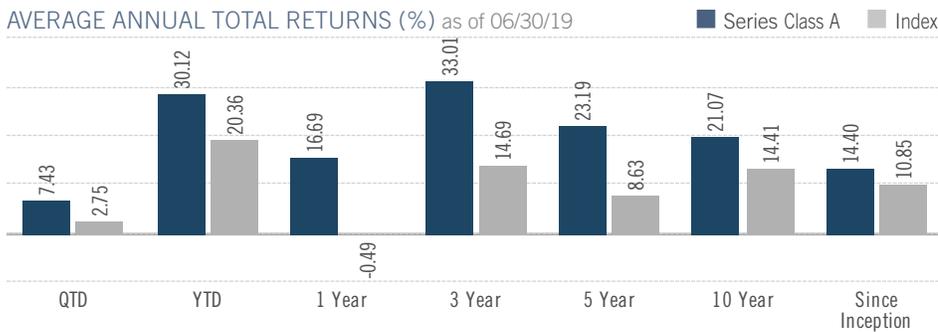
The Series seeks to generate attractive risk-adjusted long-term returns by investing in the stocks of U.S. small-cap growth companies with durable competitive advantages, excellent management, lower financial risk, and strong growth trajectories. A disciplined investment process is employed to identify businesses that are differentiated by above-average returns on capital and trading at attractive valuations.

KEY FEATURES

High-Quality Businesses — Searches for quality small-cap growth companies with solid balance sheets, consistent growth, profitability, and market dominant business models

Lower Volatility Approach — Extensive fundamental research favors companies with less business risk, as defined by lower earnings variability, consistent and profitable growth, high returns on capital, strong free cash flow, and a low organic need for external financing, all of which can help to protect profits in difficult markets

High-Conviction Portfolio — Focused on the portfolio team's 25-35 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value potential



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

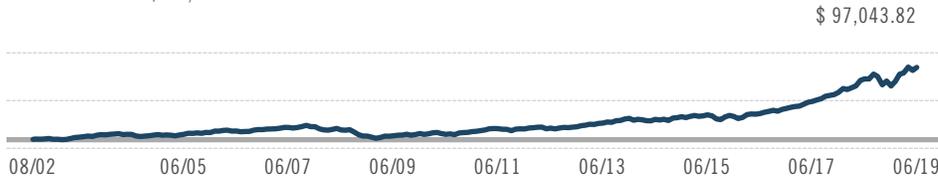
The fund class gross expense ratio is 1.27%. The net expense ratio is 1.19%, which reflects a contractual expense reimbursement in effect through 4/30/2020.

Average annual total return is the annual compound return for the indicated period and reflects the change in share price and the reinvestment of all dividends and capital gains. Returns for periods of one year or less are cumulative returns.

ANNUAL PERFORMANCE (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Series	11.66	40.85	25.92	0.73	5.50	40.20	11.81	16.59	13.53	22.39
Index	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59	-2.91	29.09	34.47

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 8/12/2002. As of 6/28/2019 the fund value would have been \$97,043.82. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

SERIES INFORMATION

	CUSIP
A Shares	92829L604
I Shares	92829L836

Inception Date	08/12/02
AUM (\$ millions)	104.3
Number of Holdings	27
Dividends	Semi-Annually
Morningstar Category	Small Growth
Lipper Category	Small-Cap Growth Funds
Index	Russell 2000® Growth Index

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★★	583
3 Year	★★★★★	583
5 Year	★★★★★	515
10 Year	★★★★★	393

Strong ratings are not indicative of positive fund performance. The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Kayne Anderson Rudnick

A VIRTUS INVESTMENT PARTNER

Kayne Anderson Rudnick invests in a select group of large-cap growth companies believed to be undervalued relative to their future growth potential.

PORTFOLIO MANAGER

Jon Christensen, CFA

Industry start date: 1995

Start date as Series Portfolio Manager: 2010

Todd Bailey, CFA

Industry start date: 1999

Start date as Series Portfolio Manager: 2010

Effective September 28, 2018, this Series is closed to new investors. Please see the prospectus for exceptions.



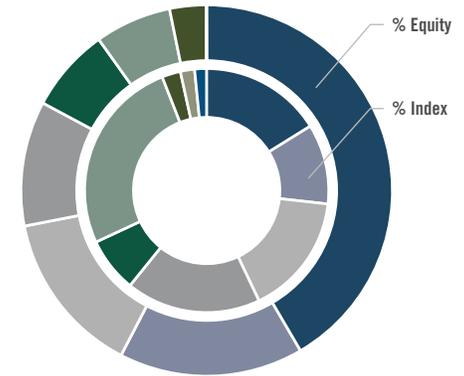
CHARACTERISTICS	Series	Index
Avg. Weighted Market Cap (bn)	7.06	2.92
Median Market Cap (bn)	5.53	0.89
Trailing P/E Ex-Negative Earnings	34.86	22.66
Price-to-Cash Flow	30.85	18.22
Price-to-Book Value	7.82	4.95
3-Year EPS Growth Rate	26.28	14.71
5-Year EPS Growth Rate	17.30	12.62
Active Share	98.16	n/a

RISK STATISTICS (3 YEAR)	Series	Index
Alpha	18.23	n/a
Beta	0.75	1.00
R ²	0.74	1.00
Sharpe Ratio	2.12	0.78
Standard Deviation	14.96	17.20

TOP TEN HOLDINGS	% Series
Fox Factory Holding Corp	7.32
Autohome Inc	6.87
Paycom Software Inc	5.66
Auto Trader Group PLC	5.33
Copart Inc	4.93
Rightmove PLC	4.88
Aspen Technology Inc	4.56
Interactive Brokers Group Inc	4.14
AAON Inc	4.12
Old Dominion Freight Line Inc	4.03

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



Sector	% Equity	% Index
Technology	41.58	16.15
Financial Services	16.04	10.62
Producer Durables	14.32	16.18
Consumer Discretionary	10.88	17.86
Materials & Processing	7.31	7.25
Health Care	6.66	26.01
Consumer Staples	3.21	2.47
Utilities	0.00	1.87
Energy	0.00	1.59

IMPORTANT RISK CONSIDERATIONS

Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Limited Number of Investments:** Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Avg. Weighted Market Cap (bn): The total dollar market value of all of a company's outstanding shares. **Trailing P/E Ex-Negative Earnings:** Per share stock price divided by the latest 12-months earnings per share. **Price-to-Cash Flow:** Per-share stock price divided by the per-share operating cash flow. **Price-to-Book Value:** A ratio used to compare a stock's market value to its book value. **3-Year EPS Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year EPS Growth Rate:** Average of earnings per share growth for latest 5-year period. **Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R²:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

INDEX DEFINITION

Index: The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Morningstar Rating™ for funds, or 'star rating,' is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effect of sales charges and loads.

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

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

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

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