

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 20-40 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value potential

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/2024

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	-6.69	-2.95	3.46	-5.75	5.57	14.18	14.64
Class A	-6.73	-3.08	3.23	-5.99	5.31	13.90	12.26
Index	-2.92	4.44	9.14	-4.86	6.17	7.39	9.14

ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	19.99	-30.14	5.21	45.02	37.66	11.95	41.16	26.25	1.01	5.78
Index	18.66	-26.36	2.83	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end.

Class I Shares: The fund class gross expense ratio is 1.01%. The net expense ratio is 0.89%, which reflects a contractual expense reimbursement in effect through 4/30/2025.

Class A Shares: The fund class gross expense ratio is 1.26%. The net expense ratio is 1.14%, which reflects a contractual expense reimbursement in effect through 4/30/2025.

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.

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.

Since inception performance for the index reflects a start date of 4/30/2013, the same date as the inception of the Series' Class I Shares. Class A inception date: 8/12/2002.

SHARE CLASSES

CUSIP

I Shares	92829L836
A Shares	92829L604

SERIES INFORMATION

Inception Date (Class I)	04/30/13
AUM (\$ millions)	78.8
Number of Holdings	29
Dividends	Semi-Annually
Morningstar Category	Small Growth
Index	Russell 2000® Growth Index

The Index shown represents the Series' performance index, which may differ from the Series' regulatory index included in its Prospectus.

MORNINGSTAR RATINGS (CLASS I)

Time Period	# of Stars	# of Funds
Overall	★★★★	550
3 Year	★★★	550
5 Year	★★★	519
10 Year	★★★★★	399

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Kayne Anderson Rudnick

A VIRTUS INVESTMENT PARTNER

Founded in 1984, Kayne Anderson Rudnick (KAR) manages quality-focused equity strategies across investment styles, market caps, and geographies. KAR believes that strong risk-adjusted returns may be achieved through investment in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

PORTFOLIO MANAGERS

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

EQUITY CHARACTERISTICS	Series	Index
Avg. Weighted Market Cap (bn)	5.55	5.95
Median Market Cap (bn)	2.42	1.21
Trailing P/E Ex-Negative Earnings	33.72	23.27
Price-to-Cash Flow	26.56	19.69
Price-to-Book Value	6.13	5.15
3-Year Earnings Growth Rate	7.07	17.12
5-Year Earnings Growth Rate	6.80	20.31
Active Share	97.45	n/a

RISK STATISTICS (3 YEAR)	Series	Index
Alpha	-2.20	n/a
Beta	0.85	1.00
R2	0.85	1.00
Sharpe Ratio	-0.43	-0.36
Standard Deviation	20.66	22.48

TOP TEN HOLDINGS	% Series
Ryan Specialty Holdings Inc	9.62
Morningstar Inc	7.81
AAON Inc	7.79
Auto Trader Group PLC	6.94
nCino Inc	4.77
ServisFirst Bancshares Inc	4.58
Triumph Financial Inc	4.57
Rightmove PLC	4.31
Enerpac Tool Group Corp	4.13
Fox Factory Holding Corp	4.12

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS	% Equity	% Index
Financials	33.97	5.92
Information Technology	19.38	24.02
Consumer Discretionary	14.62	10.37
Industrials	13.61	19.88
Communication Services	13.19	2.02
Health Care	4.13	21.58
Consumer Staples	1.10	4.79
Energy	0.00	4.63
Materials	0.00	4.02
Real Estate	0.00	1.44
Utilities	0.00	1.33

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, medium, or large-sized companies may enhance that risk. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. **Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities. **Sector Focused Investing:** Events negatively affecting a particular industry or market sector in which the portfolio focuses its investments may cause the value of the portfolio to decrease. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Avg. Weighted Market Cap (bn): The sum of each security's weight within the fund (or index) multiplied by the security's market capitalization. **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 Earnings Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year Earnings 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.

MORNINGSTAR

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 Funds are sold only through the currently effective prospectuses and are not available to the general public. Shares of the Funds 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 Funds 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 Virtus Variable Insurance Funds before investing. For this and other information about any Virtus Variable Insurance Fund, call 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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