

INVESTMENT OVERVIEW

The Series seeks to generate high current income and total return by investing primarily in intermediate-term debt securities utilizing a relative value, research-driven approach. The investment team seeks to strategically overweight undervalued sectors while applying strict risk controls.

KEY FEATURES

Diversification — Highly diversified, duration-neutral opportunistic bond portfolio, which allows for higher allocations to lower-rated and non-U.S. debt

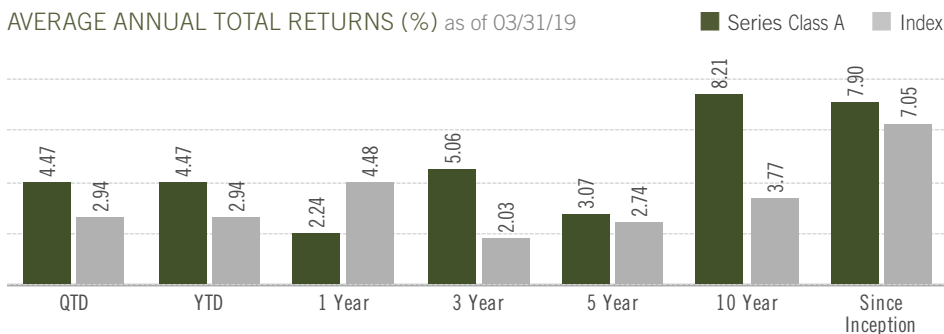
Flexibility — Newfleet rotates across 14 major bond segments, including ex-U.S. (Yankees and corporate bonds, and non-U.S. dollar bonds in both developed and emerging markets), in order to benefit from opportunity—and manage risk

Extensive Fundamental Research — Security selection driven by bottom-up analysis of individual bond quality, credit risk, valuation, company management, structure, and technical elements

SERIES INFORMATION

| | CUSIP |
|----------------------|--|
| A Shares | 92829L307 |
| I Shares | 92829L869 |
| Inception Date | 12/31/82 |
| AUM (\$ millions) | 118.2 |
| Number of Holdings | 512 |
| Dividends | Semi-Annually |
| Morningstar Category | Multisector Bond |
| Lipper Category | General Bond Funds |
| Index | Bloomberg Barclays U.S. Aggregate Bond Index |

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/19



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.

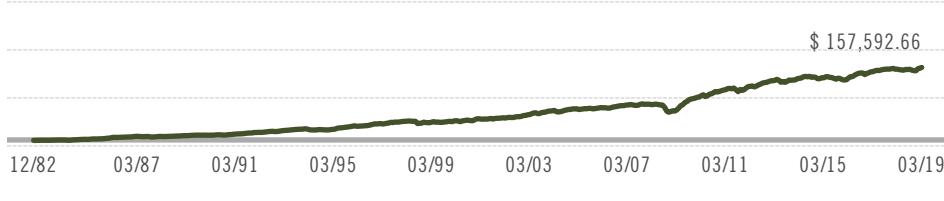
The fund class gross expense ratio is 0.94%.

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 | -2.66 | 6.72 | 9.29 | -1.26 | 1.90 | 2.25 | 14.69 | 2.99 | 14.36 | 40.13 |
| Index | 0.01 | 3.54 | 2.65 | 0.55 | 5.97 | -2.02 | 4.22 | 7.84 | 6.54 | 5.93 |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 12/31/1982. As of 3/29/2019 the fund value would have been \$157,592.66. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

MORNINGSTAR RATINGS

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| Overall | ★★★★★ | 291 |
| 3 Year | ★★★★ | 291 |
| 5 Year | ★★★ | 225 |
| 10 Year | ★★★★★ | 131 |

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



Newfleet Asset Management leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction.

PORTFOLIO MANAGER

David L. Albrycht, CFA
Industry start date: 1985
Start date as Series Portfolio Manager: 1991

| RATINGS DISTRIBUTION | | TOP TEN HOLDINGS | | SECTOR ALLOCATIONS | |
|----------------------|----------|---|----------|------------------------------|----------|
| | % Series | | % Series | | % Series |
| Aaa | 18.33 | United States Treasury Note/Bond, 1.3750% 04/30/2020 | 1.85 | Corporate - High Quality | 29.07 |
| Aa | 4.23 | Virtus Newfleet Credit Opportunities Fund | 1.35 | Non-Agency Residential MBS | 15.84 |
| A | 10.36 | United States Treasury Note/Bond, 1.3750% 01/15/2020 | 1.05 | Corporate - High Yield | 15.04 |
| Baa | 31.91 | Fannie Mae Pool, 3.5000% | 0.91 | Bank Loans | 11.12 |
| Ba | 10.46 | Indonesia Government International Bond, 8.5000% 10/12/2035 | 0.69 | Asset Backed Securities | 10.02 |
| B | 14.25 | Fannie Mae Pool, 4.0000% | 0.66 | Emerging Market - High Yield | 5.58 |
| Caa | 2.74 | Mill City Mortgage Loan Trust 2018-4, 3.5000% 04/01/2066 | 0.65 | Treasury | 3.72 |
| Ca | 0.15 | Fannie Mae Pool, 3.0000% | 0.58 | Yankee - High Quality | 3.46 |
| C | 0.40 | United States Treasury Note/Bond, 2.3750% 01/31/2023 | 0.56 | Mortgage Backed Securities | 3.09 |
| NR | 7.17 | Lloyds Bank PLC, 6.5000% 09/14/2020 | 0.53 | Non-USD | 1.01 |
| | | | | Non-Agency Commercial MBS | 0.94 |
| | | | | Taxable Municipals | 0.68 |
| | | | | Cash | 0.40 |
| | | | | Equity | 0.02 |

Holdings and sector weightings are subject to change.

| CHARACTERISTICS | Series |
|---------------------------|--------|
| Effective Duration | 3.69 |
| Weighted Average Maturity | 5.67 |
| SEC Yield ¹ | 4.21 |

¹ SEC Yield (Class A share only) represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. Performance figures represent a partial waiver/reimbursement of fees where applicable. Without the partial waiver/reimbursement of fees, performance figures would be lower and the SEC Yield would have been: 4.21%.

| DISTRIBUTIONS | | NAV at Month-End |
|---------------|------------|------------------|
| Month | | |
| June 2018 | \$0.017305 | 9.15 |
| December 2018 | \$0.355664 | 8.72 |

| RISK STATISTICS (3 YEAR) | | |
|--------------------------|--------|-------|
| | Series | Index |
| Alpha | 3.27 | n/a |
| Beta | 0.64 | 1.00 |
| R ² | 0.33 | 1.00 |
| Sharpe Ratio | 1.19 | 0.29 |
| Standard Deviation | 3.27 | 2.93 |

IMPORTANT RISK CONSIDERATIONS

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities. **ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral. **Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value, and have longer settlement times than other investments, which can make loans relatively illiquid at times. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Effective Duration: The change in the value of a fixed income security that will result from a 1% change in interest rates while taking into account the way changes in rates will affect the expected cash flows of any bond with an embedded option such as call or prepayment option. This measure assigns a probability to the exercise of a call option, where applicable, based on specified shifts in the yield curve. Duration is expressed as a number of years, and generally, the larger the duration, the greater the interest rate risk or reward for a portfolio's underlying bond prices. **Weighted Average Maturity:** The length of time until the average security in a fund will mature, be redeemed by its issuer, or paid down over time, which is the case with most securitized assets. **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 Bloomberg Barclays U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total return basis. The index is unmanaged,

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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its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

RATINGS DISTRIBUTION METHODOLOGY

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation's or government's debt issues. The ratings apply to the fund's holdings and not the fund itself. The higher of the ratings between Moody's, Standard & Poor's, and Fitch is used. If one of the three agencies does not have a rating, the higher of the other two ratings is used. If only one agency has rated the bond, the rating from that agency is used. If none of the three agencies have rated the bond, the bond is placed in the Not Rated category. Credit ratings are subject to change. Aaa, Aa, A, and Baa are investment grade ratings; Ba, B, Caa, Ca, C, and D are below-investment grade ratings.

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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