

ANNUAL REPORT  
**VIRTUS VARIABLE INSURANCE TRUST**



December 31, 2017

Virtus Duff & Phelps International Series

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Virtus Duff & Phelps Real Estate Securities Series

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Virtus KAR Capital Growth Series

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Virtus KAR Small-Cap Growth Series

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Virtus KAR Small-Cap Value Series

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Virtus Newfleet Multi-Sector Intermediate Bond Series

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Virtus Rampart Enhanced Core Equity Series

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Virtus Rampart Equity Trend Series

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Virtus Strategic Allocation Series

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The Annual 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.

## Table of Contents

Message to Shareholders .....	1
Key Investment Terms .....	2
Disclosure of Series Expenses .....	5

<b>Series</b>	<b>Series Summary</b>	<b>Schedule of Investments</b>
Virtus Duff & Phelps International Series (“Duff & Phelps International Series”) . . .	7	35
Virtus Duff & Phelps Real Estate Securities Series (“Duff & Phelps Real Estate Securities Series”) .....	10	37
Virtus KAR Capital Growth Series (“KAR Capital Growth Series”) .....	13	38
Virtus KAR Small-Cap Growth Series (“KAR Small-Cap Growth Series”) .....	16	39
Virtus KAR Small-Cap Value Series (“KAR Small-Cap Value Series”) .....	19	40
Virtus Newfleet Multi-Sector Intermediate Bond Series (“Newfleet Multi-Sector Intermediate Bond Series”) .....	22	41
Virtus Rampart Enhanced Core Equity Series (“Rampart Enhanced Core Equity Series”) .....	25	52
Virtus Rampart Equity Trend Series (“Rampart Equity Trend Series”) .....	28	58
Virtus Strategic Allocation Series (“Strategic Allocation Series”) .....	31	61
Statements of Assets and Liabilities .....		70
Statements of Operations .....		73
Statements of Changes in Net Assets .....		76
Financial Highlights .....		79
Notes to Financial Statements .....		83
Report of Independent Registered Public Accounting Firm .....		93
Tax Information Notice .....		94
Consideration of Advisory and Subadvisory Agreements by the Board of Trustees .....		95
Fund Management Tables .....		99

### **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 Board of Trustees of the Trust (“Trustees,” or 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 1-800-367-5877. 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 Trust 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

### To Virtus Variable Insurance Trust Investors:



I am pleased to present this annual report that reviews the performance of your Series for the 12-month period ended December 31, 2017.

Economic growth and strong corporate earnings were driving forces in the U.S. in 2017, capped off by the sweeping tax overhaul signed into law at year-end, which fueled optimism further. The Federal Reserve, buoyed by a steadily strengthening economy, raised interest rates three times over the course of the year, and began the process of unwinding its balance sheet debt accumulated since the Financial Crisis of 2008 – a clear signal that it believes the U.S. has resumed a growth path. Outside the U.S., global growth also strengthened, with other major central banks preparing to taper their own stimulus policies.

The favorable investment backdrop lifted major U.S. equity markets to new all-time highs with near-record low volatility. Large-cap stocks, as measured by the S&P 500® Index, returned 21.83% for the year, outpacing small-cap stocks, which returned 14.65%, as measured by the Russell 2000® Index. Within international equities, emerging markets led their developed peers, with the MSCI Emerging Markets Index (net) up 37.28%, compared with the MSCI EAFE® Index (net), which returned 25.03%.

Demand for U.S. Treasuries remained strong, driven by foreign investors who favored their yield advantage and credit quality over many foreign government bonds. On December 31, 2017, the benchmark 10-year U.S. Treasury yielded 2.40%, compared with 2.45% one year earlier. The broader U.S. fixed income market, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which tracks Treasuries and other investment-grade debt securities, increased 3.54% for the 12 months, while non-investment grade bonds gained 7.50%, as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.

Market uncertainty is an ever-present reminder of the importance of portfolio diversification, including exposure to traditional and alternative asset classes. While diversification cannot guarantee a profit or prevent a loss, owning a variety of asset classes may cushion your portfolio against inevitable market fluctuations. Your financial advisor can help you ensure that your variable investment portfolio is adequately diversified across asset classes and investment strategies.

On behalf of our investment affiliates, thank you for entrusting assets to the Virtus Variable Insurance Trust. Should you have questions about your account or require assistance, please visit [Virtus.com](http://Virtus.com), or call our customer service team at 1-800-367-5877. We appreciate your business and remain committed to your long-term financial success.

Sincerely,



George R. Aylward  
President, Virtus Variable Insurance Trust

February 2018

*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 above.*

## KEY INVESTMENT TERMS

### ***American Depositary Receipt (“ADR”)***

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

### ***Bloomberg Barclays U.S. Aggregate Bond 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, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***Bloomberg Barclays U.S. Corporate High Yield Bond Index***

The Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***Chicago Board Options Exchange Volatility Index® (“CBOE VIX®”)***

The CBOE VIX® shows the market’s expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500® Index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The CBOE VIX® is a widely used measure of market risk and is often referred to as the “investor fear gauge.” The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***Composite Index for Strategic Allocation Series***

The Composite Index for Strategic Allocation Series consists of 45% Russell 1000® Growth Index (a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies, calculated on a total return basis with dividends reinvested), 15% MSCI EAFE® Index (net) (a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada, calculated on a total return basis with net dividends reinvested) and 40% Bloomberg Barclays U.S. Aggregate Bond Index (an index that measures the U.S. investment grade fixed rate bond market, calculated on a total return basis). The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment. Performance of the Composite Index for Strategic Allocation Series prior to 9/7/2016 represents an allocation consisting of 60% S&P 500® Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

### ***European Central Bank (“ECB”)***

The European Central Bank (ECB) is responsible for conducting monetary policy for the Euro area. The ECB was established as the core of the Eurosystem and the European System of Central Banks (ESCB). The ESCB comprises the ECB and the National Central Banks (NCBs) of all 17 EU Member States whether they have adopted the Euro or not.

### ***European Union (“EU”)***

The European Union (EU) is a unique economic and political union of 28 European countries. The EU was created in the aftermath of the Second World War that has become a single market for goods and services and it created the single currency the Euro.

### ***Exchange-Traded Fund (“ETF”)***

An open-end fund that is traded on a stock exchange. Most ETFs have a portfolio of stocks or bonds that track a specific market index.

### ***Federal Funds Rate***

The interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The Federal Funds rate is generally only applicable to the most creditworthy institutions when they borrow and lend overnight funds to each other. The Federal Funds rate is one of the most influential interest rates in the U.S. economy, since it affects monetary and financial conditions, which in turn have a bearing on key aspects of the broad economy including employment, growth and inflation.

### ***Federal Reserve (the “Fed”)***

The Central Bank of the U.S., responsible for controlling the money supply, interest rates, and credit with the goal of keeping the U.S. economy and currency stable. Governed by a seven-member board, the system includes 12 regional Federal Reserve Banks, 25 branches, and all national and state banks that are part of the system.

## KEY INVESTMENT TERMS (Continued)

### ***Financial Crisis of 2008***

The Financial Crisis of 2008, also known as the Global Financial Crisis or Financial Crisis of 2007-2008, is considered by many economists to have been the worst financial and economic crisis since the Great Depression that lasted from 1929 to 1941. The Crisis began in 2007 with a crisis in the subprime mortgage market in the U.S., and it developed into an international banking crisis with the collapse of the investment bank Lehman Brothers in September of 2008. Although bail-outs of financial institutions as well as monetary and fiscal policies were put into place throughout the world to mitigate its impact, the Crisis led to the global economic downturn commonly referred to as the Great Recession. During the Crisis and through the Great Recession that followed, housing prices fell drastically and unemployment rose, leading to legislation designed to promote financial stability such as the Dodd-Frank Act in the U.S. and efforts by various central banks to stimulate their countries' economies.

### ***FTSE NAREIT Equity REITs Index***

The FTSE NAREIT Equity REITs Index is a free-float market capitalization-weighted index measuring equity tax-qualified real estate investment trusts, which meet minimum size and liquidity criteria, that are listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market System. 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 it is not available for direct investment.

### ***Gross Domestic Product ("GDP")***

The GDP represents the market value of all goods and services produced by the economy during the period measured, including personal consumption, government purchases, private inventories, paid-in construction costs, and the foreign trade balance.

### ***MSCI EAFE® Index (net)***

The MSCI EAFE® (Europe, Australasia, Far East) Index (net) is a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***MSCI Emerging Markets Index (net)***

The MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***Payment-in-Kind Security ("PIK")***

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

### ***Real Estate Investment Trust ("REIT")***

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.

### ***Russell 1000® Growth Index***

The Russell 1000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest 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 it is not available for direct investment.

### ***Russell 2000® Growth 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 it is not available for direct investment.

## KEY INVESTMENT TERMS (Continued)

### ***Russell 2000® Index***

The Russell 2000® Index is a market capitalization-weighted index of the 2,000 smallest 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 it is not available for direct investment.

### ***Russell 2000® Value Index***

The Russell 2000® Value Index is a market capitalization-weighted index of value-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 it is not available for direct investment.

### ***S&P 500® Index***

The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***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 (“NYSE”).

### ***Tax Cuts and Jobs Act (TCJA)***

The Tax Cuts and Jobs Act, which became law in December 2017, provides the first major overhaul of the U.S. federal tax code since 1986. The TCJA modifies tax rates, policies, credits, and deductions for individuals and businesses.

### ***Treasury Yield***

The return on investment, expressed as a percentage, on the U.S. government’s debt obligations (bonds, notes and bills). The Treasury yield is considered a bellwether of the U.S. economy; the higher the yields on 10-, 20- and 30-year Treasuries, the better the economic outlook.

### ***U.S. Dollar Index®***

The U.S. Dollar Index® is a geometrically-averaged calculation of the following six currencies weighted against the U.S. dollar: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona and Swiss franc. The index is compiled by ICE Futures U.S., Inc. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

### ***Yankee bonds***

Yankee bonds are dollar-denominated instruments issued in the U.S. market by foreign branches of U.S. banks and U.S. branches of foreign banks.

**VIRTUS VARIABLE INSURANCE TRUST**  
**Disclosure of Series Expenses (Unaudited)**  
**For the six-month period of July 1, 2017 to December 31, 2017**

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 a Series (each a “Series”) of Virtus Variable Insurance Trust (the “Trust”), 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.

**Actual Expenses**

The following Expense Table illustrates a Series’ information about actual account values and actual expenses. You may use the information in this section, 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 table under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. The Annualized Expense Ratios may be different from the expense ratios in the Financial Highlights which is for the fiscal year ended December 31, 2017. 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.

		Beginning Account Value July 1, 2017	Ending Account Value December 31, 2017	Annualized Expense Ratio	Expenses Paid During Period*
Duff & Phelps International Series	Class A	\$1,000.00	\$1,088.00	1.18%	\$6.21
	Class I	1,000.00	1,089.60	0.93	4.90
Duff & Phelps Real Estate Securities Series	Class A	1,000.00	1,043.20	1.16	5.97
	Class I	1,000.00	1,044.60	0.91	4.69
KAR Capital Growth Series	Class A	1,000.00	1,126.40	1.03	5.52
KAR Small-Cap Growth Series	Class A	1,000.00	1,194.80	1.19	6.58
	Class I	1,000.00	1,196.20	0.94	5.20
KAR Small-Cap Value Series	Class A	1,000.00	1,123.70	1.20	6.42
Newfleet Multi-Sector Intermediate Bond Series	Class A	1,000.00	1,024.70	0.93	4.75
	Class I	1,000.00	1,026.00	0.68	3.47
Rampart Enhanced Core Equity Series	Class A	1,000.00	1,126.70	0.98	5.25
Rampart Equity Trend Series	Class A	1,000.00	1,108.00	1.70	9.03
	Class I	1,000.00	1,109.60	1.45	7.71
Strategic Allocation Series	Class A	1,000.00	1,077.00	0.98	5.13

\* Expenses are equal to the relevant Series’ annualized expense ratio, which is net of waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (184) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period. Exceptions noted below.

A 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 a 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**  
**Disclosure of Series Expenses (Unaudited) (Continued)**  
**For the six-month period of July 1, 2017 to December 31, 2017**

**Hypothetical Example for Comparison Purposes**

The accompanying table provides information about hypothetical account values and hypothetical expenses based on a 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, 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.

		Beginning Account Value July 1, 2017	Ending Account Value December 31, 2017	Annualized Expense Ratio	Expenses Paid During Period*
Duff & Phelps International Series	Class A	\$1,000.00	\$1,019.26	1.18%	\$6.01
	Class I	1,000.00	1,020.52	0.93	4.74
Duff & Phelps Real Estate Securities Series	Class A	1,000.00	1,019.36	1.16	5.90
	Class I	1,000.00	1,020.62	0.91	4.63
KAR Capital Growth Series	Class A	1,000.00	1,020.01	1.03	5.24
KAR Small-Cap Growth Series	Class A	1,000.00	1,019.21	1.19	6.06
	Class I	1,000.00	1,020.47	0.94	4.79
KAR Small-Cap Value Series	Class A	1,000.00	1,019.16	1.20	6.11
Newfleet Multi-Sector Intermediate Bond Series	Class A	1,000.00	1,020.52	0.93	4.74
	Class I	1,000.00	1,021.78	0.68	3.47
Rampart Enhanced Core Equity Series	Class A	1,000.00	1,020.27	0.98	4.99
Rampart Equity Trend Series	Class A	1,000.00	1,016.64	1.70	8.64
	Class I	1,000.00	1,017.90	1.45	7.37
Strategic Allocation Series	Class A	1,000.00	1,020.27	0.98	4.99

\* Expenses are equal to the relevant Series' annualized expense ratio, which is net of waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (184) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period. Exceptions noted below.

A 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 a 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.



# Duff & Phelps International Series

## Series Summary (Unaudited)

### Portfolio Manager Commentary by

### Duff & Phelps Investment Management Co. (“Duff & Phelps”)

■ **The Series** is diversified and has an investment objective of high total return consistent with reasonable risk. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 15.95% and Class I shares at NAV returned 16.17%. For the same period, the MSCI EAFE® Index (net), which serves as the Series' broad-based and style-specific benchmark index appropriate for comparison, returned 25.03%.

*All performance figures assume reinvestment of distributions and exclude the effect of fees and expenses associated with the variable life insurance or annuity product through which you invest. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

#### How did the international equity markets perform during the fiscal year ended December 31, 2017?

■ International equity markets posted strong returns during each quarter of 2017, with the MSCI EAFE® Index (net) delivering a 25.03% return for the 12-month period. Equity markets worldwide displayed ongoing resilience on the back of continued global economic momentum.

■ Geopolitical tensions, natural disasters, and political divisions within many countries were relegated to background noise in 2017 as economic momentum fueled persistent optimism across most major developed markets.

#### What factors affected the Series' performance during the fiscal year?

■ Both sector allocation and security selection detracted from the Series' performance for the fiscal year ended December 31, 2017, with security selection having the greater impact. On a sector performance basis, all of the 11 market sectors posted positive returns, exemplifying the one-directional nature of international equity markets during the period.

■ The Series' consumer discretionary holdings had a challenging year, detracting 2.67% on a relative basis for the period primarily due to unfavorable security selection (particularly IMAX and Ctrip.com). The second largest detractor at the sector level was energy, due to both security selection (especially Technip) and the adverse effect of being overweight the sector as it lagged the index. The third largest detractor was consumer staples, due to security selection, although an underweight position in the sector was accretive as it and other defensive sectors lagged the market for the most part.

■ On the positive side, the Series' industrial sector investments contributed 1.02% to relative performance for the year, primarily due to favorable security selection (particularly Nidec and Airbus). The second largest contributor at the sector level was utilities, due to security selection (especially Veolia). The third largest contributor was information technology, due to being overweight the sector as it and other cyclical sectors led the market for the most part.

■ While the Series' positioning in the health care sector overall was not among the most impactful, it was notable in that the Series' strongest relative contributor (ICON plc) and second biggest detractor (Allergan plc) were health care names. We reaped some benefit from being underweight the sector as a whole, as it underperformed, and the net overall detraction was fairly minimal compared to the impact of other sectors.

■ Derivatives made a negative contribution to the Series' performance. Specifically, a Japanese yen short forward currency contract detracted -0.83% from relative total return as the U.S. dollar weakened relative to the yen during the year.

*The preceding information is the opinion of portfolio management only through the end of the period of the report as stated on the cover. Any such opinions are subject to change at any time based upon market or other conditions and should not be relied upon as investment advice.*

**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.

**Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

**Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

# Duff & Phelps International Series (Continued)

**Prospectus:** For additional information on risks, please see the Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Financials	29%
Industrials	16
Materials	13
Information Technology	9
Consumer Discretionary	8
Energy	7
Consumer Staples	5
Other (includes short-term investments)	<u>13</u>
Total	<u><u>100%</u></u>

# Duff & Phelps International Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years	Since Inception	Inception Date
<b>Class A shares at NAV<sup>2</sup></b>	<b>15.95%</b>	<b>1.13%</b>	<b>1.31%</b>	—	—
<b>Class I shares at NAV<sup>2</sup></b>	<b>16.17</b>	—	—	<b>0.05%</b>	<b>4/30/13</b>
<b>S&amp;P 500<sup>®</sup> Index<sup>*</sup></b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>	<b>14.04<sup>4</sup></b>	—
<b>MSCI EAFE<sup>®</sup> Index (net)<sup>*</sup></b>	<b>25.03</b>	<b>7.90</b>	<b>1.94</b>	<b>6.16<sup>4</sup></b>	—
<b>Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.26%, Net 1.19%; Class I shares: Gross 1.01%, Net 0.94%.</b>					

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance accounts.

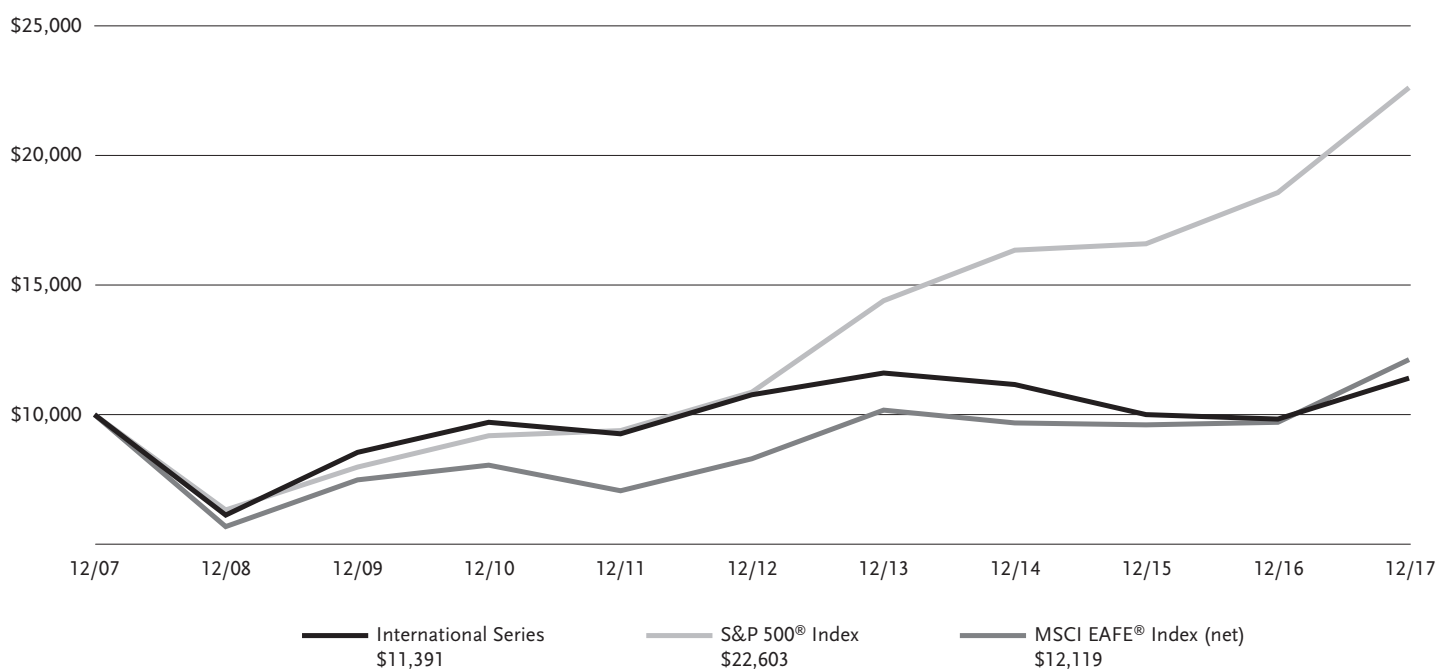
<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

<sup>4</sup> The since inception index returns are from the inception date of Class I shares.

\* The MSCI EAFE<sup>®</sup> Index (net) is an appropriate broad-based index. The Series is no longer using the S&P 500<sup>®</sup> Index.

**Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# Duff & Phelps Real Estate Securities Series

## Series Summary (Unaudited) Portfolio Manager Commentary by Duff & Phelps Investment Management Co.

■ **The Series** is diversified and has investment objectives of capital appreciation and income with approximately equal emphasis. *There is no guarantee that the Series will meet its objectives.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 5.97% and Class I shares at NAV returned 6.25%. For the same period, the FTSE NAREIT Equity REITs Index, which serves as the Series' broad-based and style-specific benchmark index appropriate for comparison, returned 5.23%.

*All performance figures assume reinvestment of distributions and exclude the effect of fees and expenses associated with the variable life insurance or annuity product through which you invest. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

### How did the markets perform during the fiscal year ended December 31, 2017?

- Equity markets, as measured by the S&P 500<sup>®</sup> Index, were quite strong during the Series' fiscal year.
- U.S. REITs put up solid performance within real assets of 5.23%, as measured by the Series' benchmark, the FTSE NAREIT Equity REITs Index. Cash flow and dividend growth were supportive, as were mergers and acquisitions (M&A) announcements within listed real estate, both in the U.S. and overseas, through the end of 2017. Private real estate funds had raised a significant amount of capital, which remained largely unspent, and were looking to purchase real estate from listed REITs, in part or in whole. Overall new supply remained contained, while there were some property sectors and markets in stronger positions on supply/demand dynamics than others. Certain sectors benefited from secular trends, such as industrial warehouses from e-commerce, as well as data centers, which provided an opportunity for security selection.
- Interest rate volatility picked up into the end of the fiscal year, and expectations grew of additional increases by the Federal Reserve (the Fed) in 2018 following three increases of 0.25% each in 2017 to normalize rates.
- At the end of the fiscal year, Congress was effective in passing tax reform, a material event and a notable fiscal stimulus. It is interesting to note that, following the global Financial Crisis of 2008, former Fed Chair Ben Bernanke called for a fiscal stimulus on top of a monetary one, but it was never implemented. The economic environment remained positive based on a number of macro factors, employment levels, and market returns.
- The S&P 500<sup>®</sup> Index had a good year. Corporate earnings lifted notably through the year and benefited from a weaker U.S. dollar, which declined roughly 10% as measured by the U.S. Dollar Index (DXY). The dollar's weakness helped non-U.S. listed real estate outperform U.S. listed real estate in 2017.
- Central banks around the globe modified their quantitative easing programs during the fiscal year, and in some cases began to reduce the size of their balance sheets. The U.S. Fed is well ahead of the European Central Bank (ECB) in raising rates, tightening once in 2015, once in 2016, and three times in 2017. Equity REITs had positive returns in each of those years. M&A appeared to be picking up as the Fed hiked in 2017, just as it did from June '04 to '06, when the Fed hiked 17 times for 0.25% each. During that time period, equity REITs put up positive returns.

### What factors affected the Series' performance during the fiscal year?

- For the fiscal year ended December 31, 2017, the Series benefited from security selection and property sector allocation, outperforming its benchmark.
- Within the U.S., the data centers, manufactured homes, and industrial property sectors delivered the best total returns over the last 12 months. Retail, namely shopping centers and regional malls, as well as diversified property were the most significant laggards.
- The most significant individual positive contributor to relative performance during the Series' fiscal year was an underweight allocation to and security selection within healthcare, which lagged. Other contributors included security selection within office, which performed in line; an overweight allocation and security selection within industrial, which outperformed; and an overweight allocation and security selection within data centers, which also outperformed.
- The most significant detractor from relative performance during the Series' fiscal year was an overweight allocation to and security selection within apartments, which lagged. This was followed by an overweight allocation to shopping centers, which lagged and was partially offset by security selection; a zero-weight to specialty, which outperformed; and security selection within single family home rentals, which outperformed and was partially offset by an overweight allocation.

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**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.

**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.

**Real Estate:** The Series may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management.

# Duff & Phelps Real Estate Securities Series (Continued)

**Prospectus:** For additional information on risks, please see the Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Apartments	17%
Office	16
Industrials	14
Data Centers	13
Shopping Centers	8
Regional Malls	7
Self Storage	6
Other (includes short-term investments)	<u>19</u>
Total	<u>100%</u>

# Duff & Phelps Real Estate Securities Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years	Since Inception	Inception Date
<b>Class A shares at NAV<sup>2</sup></b>	<b>5.97%</b>	<b>9.00%</b>	<b>7.51%</b>	—	—
<b>Class I shares at NAV<sup>2</sup></b>	<b>6.25</b>	—	—	<b>7.14%</b>	<b>4/30/13</b>
<b>S&amp;P 500<sup>®</sup> Index<sup>*</sup></b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>	<b>14.04<sup>4</sup></b>	—
<b>FTSE NAREIT Equity REITs Index<sup>*</sup></b>	<b>5.23</b>	<b>9.46</b>	<b>7.44</b>	<b>6.83<sup>4</sup></b>	—
<b>Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.24%, Net 1.16%; Class I shares: Gross 0.99%, Net 0.91%.</b>					

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance products.

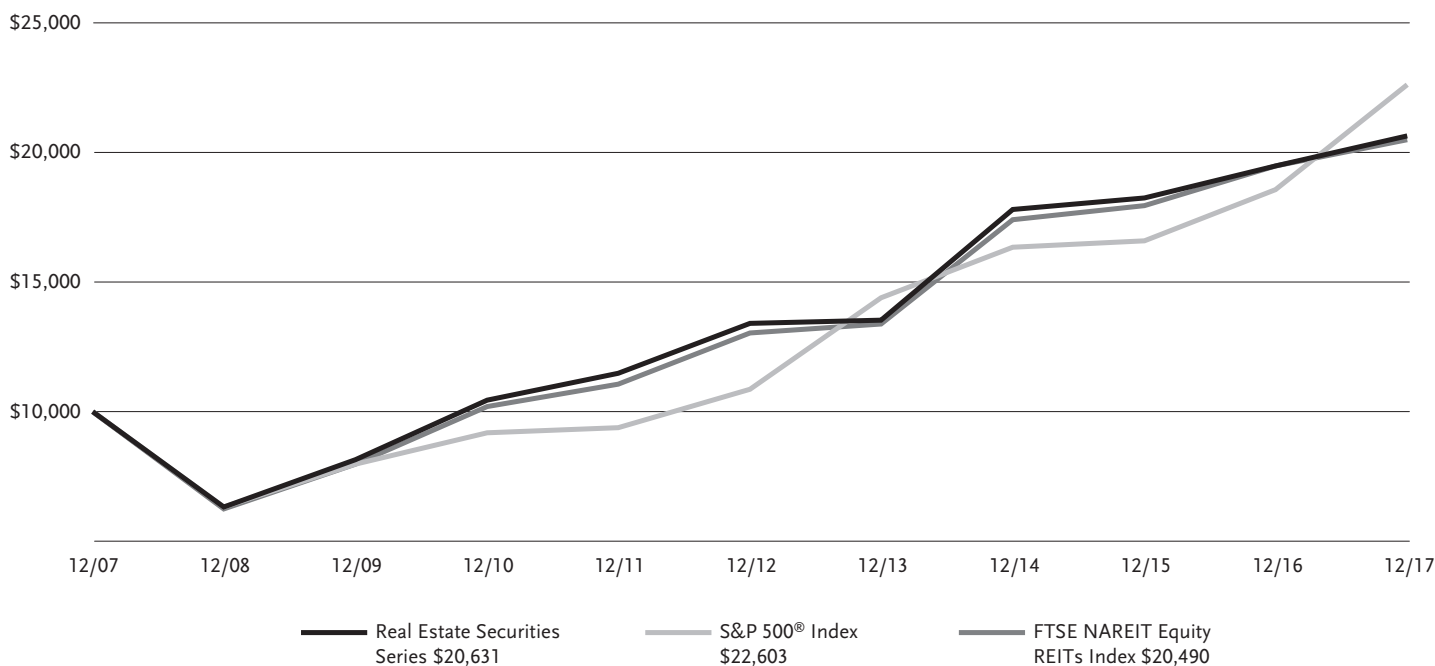
<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

<sup>4</sup> The since inception index returns are from the inception date of Class I shares.

\* The FTSE NAREIT Equity REITs Index is an appropriate broad-based index. The Series is no longer using the S&P 500<sup>®</sup> Index.

## **Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



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For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# KAR Capital Growth Series

## Series Summary (Unaudited)

### Portfolio Manager Commentary by

Kayne Anderson Rudnick Investment Management, LLC

■ **The Series** is diversified and has an investment objective of long-term growth of capital. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 36.07%. For the same period, the Russell 1000® Growth Index, which serves as the Series' broad-based and style-specific benchmark index appropriate for comparison, returned 30.21%.

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### How did the market perform during the fiscal year ended December 31, 2017?

■ The year 2017 was a banner one for global equities: The S&P 500® Index returned 21.83%; foreign markets, as measured by the MSCI EAFE® Index (net), gained 25.03%; and emerging markets stocks, as measured by the MSCI Emerging Markets Index (net), climbed 37.28%. Growth stocks across the market-cap spectrum outperformed value stocks for the year, the opposite of what occurred in 2016.

■ The Russell 1000® Growth Index rose 30.21% in 2017. The utilities sector was by far the best performer, with a gain of 70.80%. Other contributing sectors included information technology (+41.55%), financials (+31.63%) and industrials (+31.42%). Energy was the only negative sector in the index for the year, down 6.70%.

### What factors affected the Series' performance during the fiscal year?

■ The Series outperformed the Russell 1000® Growth Index for the year. The Series benefited from positive stock selection in the information technology and consumer staples sectors. Negative stock selection in health care and an overweight in energy detracted from performance.

■ Stocks that contributed the most to the year's gains were Facebook and Alibaba Group Holding.

■ Facebook continued to grow advertising revenue and take share in the online digital marketing space. The company delivered an unprecedented global reach of about 30% of the earth's population to advertisers in a measurable way. Facebook's user growth remained stunning despite its scale, and Instagram's Stories format had resounding success in fighting off competitors like Snapchat.

■ Alibaba's two marketplaces, Taobao and Tmall.com, combine to form the largest online commerce company in the world. Management has committed to a number of social initiatives to further improve mobile monetization over time. Alibaba's marketplaces have huge network effects, and the company made efforts to foster the ecosystem with investments in payments and logistics partnerships. Taobao, in particular, has become a destination for consumers, merchants, and key opinion leaders to interact and engage in what Alibaba calls social commerce. E-commerce penetration, mobile usage, and growth in Chinese consumer spending power were all durable long-term tailwinds benefitting the company during the fiscal period. Alibaba has attempted to seize the opportunity by using data to improve targeting and increasingly consummating transactions through Alipay, its leading mobile payment offering.

■ Positions that detracted the most from performance were Bristol-Myers Squibb and Schlumberger.

■ Bristol-Myers dominated the initial immuno-oncology (I/O) market, securing a market share over 80%. The company is working on combination therapies with a broad set of checkpoint inhibitors to treat cancer. However, a failed trial in first-line lung cancer and positive results from competitors led analysts to adjust assumptions for Bristol's ultimate market share and pricing power. When Bristol's back-up plan also fell through and left the company potentially years behind competitors, we exited our position.

■ Schlumberger has historically traded at a premium due to its technological prowess, scale, and efficiency. However, its shares underperformed peers during the fiscal year due to its exposure to late-cycle offshore and international customers rather than the faster-growing North American shale basins. Schlumberger's business also became more capital intensive as it took ownership stakes in many of the fields alongside its operating customers. After trimming our position in April, we exited the name in July of 2017.

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**Limited Number of Investments:** Because the Series has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.

# KAR Capital Growth Series (Continued)

**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 Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Information Technology	42%
Consumer Discretionary	24
Health Care	8
Industrials	7
Financials	6
Consumer Staples	6
Energy	5
Other (includes short-term investment)	2
Total	<u>100%</u>



# KAR Capital Growth Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years
<b>Class A shares at NAV<sup>2</sup></b>	<b>36.07%</b>	<b>16.34%</b>	<b>7.42%</b>
<b>S&amp;P 500<sup>®</sup> Index*</b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>
<b>Russell 1000<sup>®</sup> Growth Index*</b>	<b>30.21</b>	<b>17.33</b>	<b>10.00</b>

**Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.17%, Net 1.03%.**

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

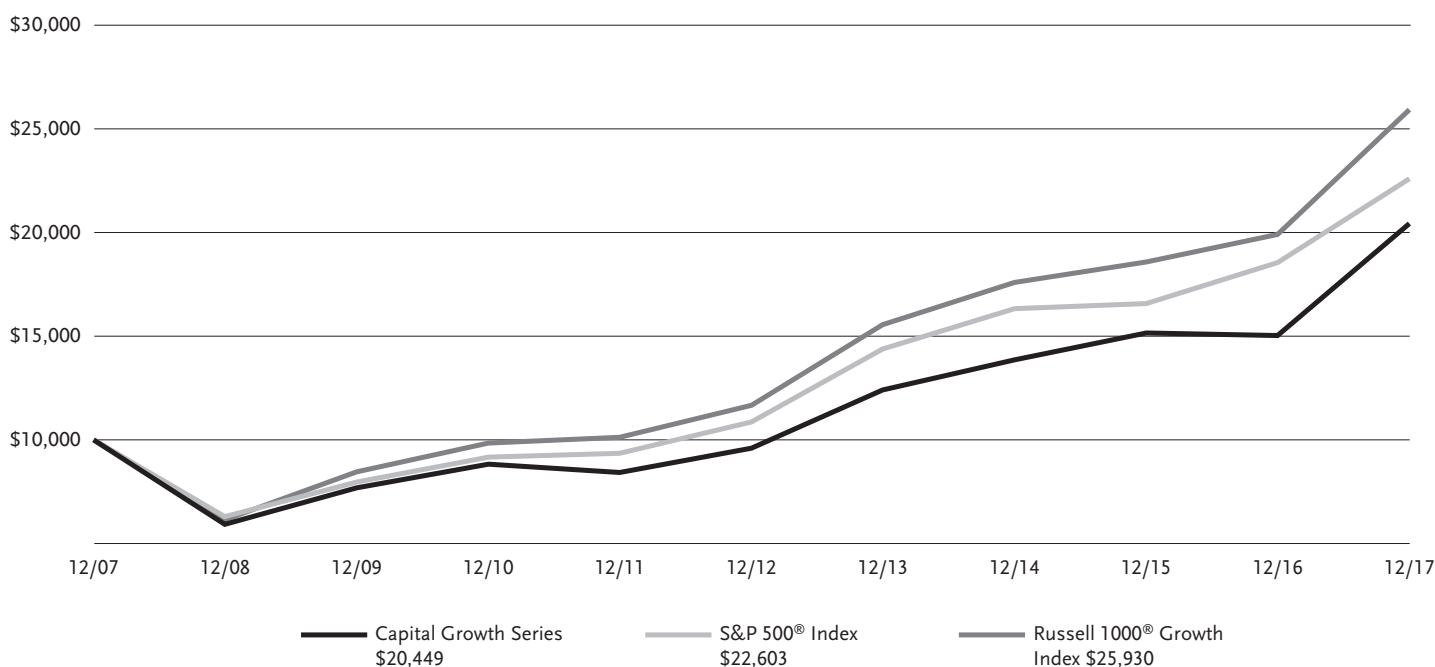
<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance accounts.

<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

\* The Russell 1000<sup>®</sup> Growth Index is an appropriate broad-based index. The Series is no longer using the S&P 500<sup>®</sup> Index.

**Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



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# KAR Small-Cap Growth Series

## Series Summary (Unaudited)

### Portfolio Manager Commentary by

Kayne Anderson Rudnick Investment Management, LLC

■ **The Series** is diversified and has an investment objective of long-term capital growth. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 40.85% and Class I shares at NAV returned 41.16%. For the same period, the Russell 2000® Growth Index, which serves as the Series' broad-based and style-specific benchmark index appropriate for comparison, returned 22.17%.

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### How did the market perform during the fiscal year ended December 31, 2017?

■ The year 2017 was a banner one for global equities: The S&P 500® Index returned 21.83%; foreign markets, as measured by the MSCI EAFE® Index (net), gained 25.03%; and emerging markets stocks, as measured by the MSCI Emerging Markets Index (net), climbed 37.28%. Growth stocks across the market-cap spectrum outperformed value stocks for the year, the opposite of what occurred in 2016.

■ The Russell 2000® Growth Index rose 22.17% in 2017. Health care was the best performing sector, gaining 37.34% following a down year in 2016. Other sectors that posted solid performance in 2017 included technology (+21.87%), materials and processing (+19.92%), and consumer discretionary (+19.80%). Energy was the only negative sector in the index for the year, down 15.30%.

### What factors affected the Series' performance during the fiscal year?

■ The Series outperformed the Russell 2000® Growth Index for the year. From a sector perspective, returns were largely driven by positive stock selection in the technology and consumer discretionary sectors. Performance was hurt by an underweight in health care.

■ From an individual stock perspective, names that contributed the most to performance were Autohome and Ollie's Bargain Outlet Holdings.

■ Autohome's share price increased meaningfully during 2017 as the company refined its strategy and exited a money-losing new car transaction business. This allowed the strong profitability of its core business to re-emerge, and translated into double-digit growth in revenue and earnings per share for the trailing 12 months. Autohome's financial results also benefited from the ongoing secular shift of advertising budgets from traditional to online media. Given Autohome's strong competitive positioning, improved capital allocation, and the expected long-term growth of the Chinese car market, the Fund remained invested in the business as of the end of the period.

■ Throughout 2017, Ollie's continued to defy the doom and gloom in retail and deliver healthy same-store sales growth and margins. The company focused on delivering best-in-class closeout deals, and as it grew, it continued to be the first choice for vendors looking to unload merchandise. The company slowly tilted inventory toward consumables, which helped to increase repeat purchases, as customers saw Ollie's as more than just a once-a-year, deal-hunting adventure.

■ Names that detracted the most from performance were Shutterstock and Abaxis.

■ Shutterstock's stock price had rebounded in the first half of 2016 as concerns regarding the competitive threat from Adobe's new stock photo offering abated. However, a meaningful slowdown in revenue growth over the next two quarters sent the share price lower. Our original investment thesis was based on the network effects of Shutterstock's core stock photo marketplace business. Even at lower growth rates, that marketplace business was profitable and valuable. Unfortunately, management sought growth by investing capital in other parts of the company where Shutterstock's competitive advantage was less clear. Thus, we sold the Series' position in early 2017.

■ Abaxis saw its shares fall after experiencing a weak sales quarter as its veterinary business grew only slightly while the medical business declined due to distributor de-stocking. The company ramped up its research and development (R&D) efforts in an effort to drive the top line, but those efforts did not bear fruit in 2017. The company's solid balance sheet and high consumables mix kept the Series as a shareholder through the end of the period.

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**Limited Number of Investments:** Because the Series 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.

# KAR Small-Cap Growth Series (Continued)

**Prospectus:** For additional information on risks, please see the Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Information Technology	28%
Industrials	19
Consumer Discretionary	18
Financials	17
Health Care	8
Consumer Staples	6
Short-Term Investments	4
Total	<u>100%</u>

# KAR Small-Cap Growth Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years	Since Inception	Inception Date
<b>Class A shares at NAV<sup>2</sup></b>	<b>40.85%</b>	<b>21.45%</b>	<b>10.18%</b>	—	—
<b>Class I shares at NAV<sup>2</sup></b>	<b>41.16</b>	—	—	<b>20.68%</b>	<b>4/30/13</b>
<b>S&amp;P 500<sup>®</sup> Index<sup>*</sup></b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>	<b>14.04<sup>4</sup></b>	—
<b>Russell 2000<sup>®</sup> Growth Index<sup>*</sup></b>	<b>22.17</b>	<b>15.21</b>	<b>9.19</b>	<b>13.48<sup>4</sup></b>	—

**Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.36%, Net 1.19%; Class I shares: Gross 1.11%, Net 0.94%.**

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance products.

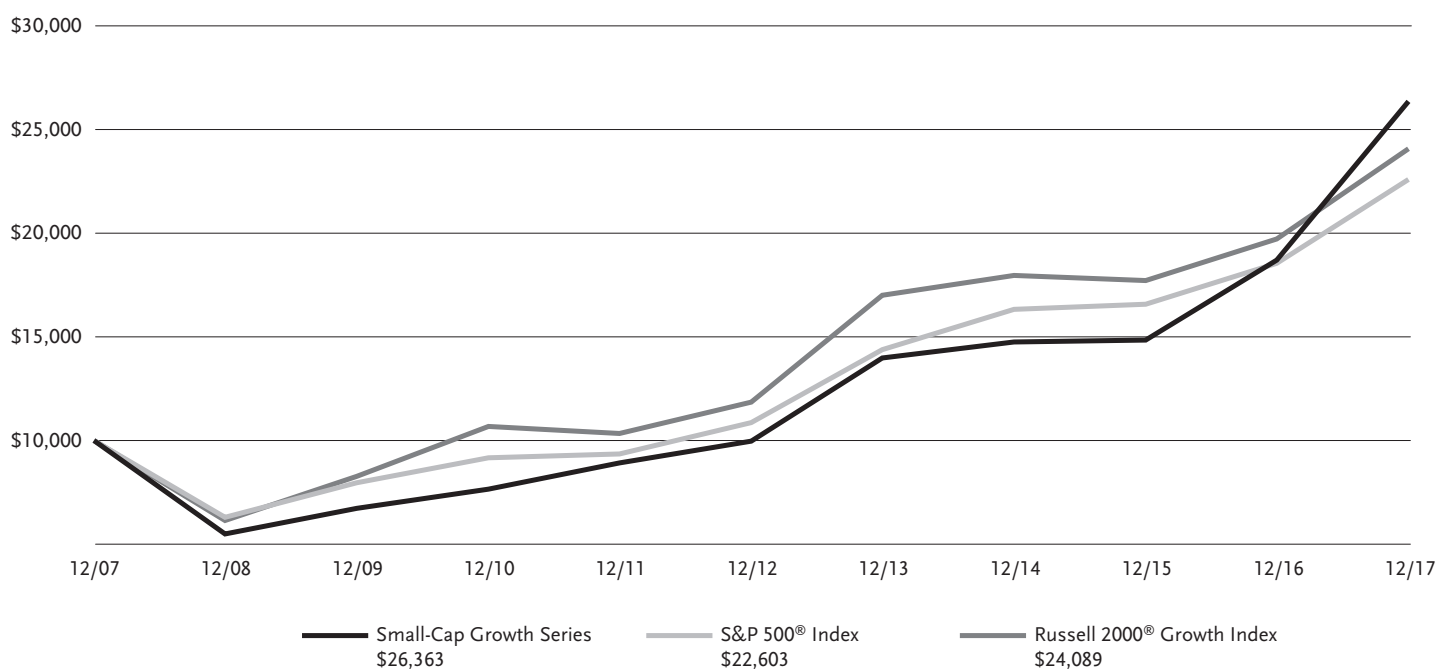
<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

<sup>4</sup> The since inception index returns are from the inception date of Class I shares.

\* The Russell 2000<sup>®</sup> Growth Index is an appropriate broad-based index. The Series is no longer using the S&P 500<sup>®</sup> Index.

## **Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



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For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# KAR Small-Cap Value Series

## Series Summary (Unaudited)

### Portfolio Manager Commentary by

Kayne Anderson Rudnick Investment Management, LLC

■ **The Series** is diversified and has an investment objective of long-term capital appreciation. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 20.16%. For the same period, the Russell 2000® Value Index, which serves as the Series' broad-based and style-specific benchmark index appropriate for comparison, returned 7.84%.

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### How did the market perform during the fiscal year ended December 31, 2017?

■ The year 2017 was a banner one for global equities: The S&P 500® Index returned 21.83%; foreign markets, as measured by the MSCI EAFE® Index (net), gained 25.03%; and emerging markets stocks, as measured by the MSCI Emerging Markets Index (net), climbed 37.28%. Growth stocks across the market-cap spectrum outperformed value stocks for the year, the opposite of what occurred in 2016.

■ The Russell 2000® Value Index rose 7.84% in 2017. Health care and producer durables were the best performing sectors, returning 30.75% and 18.79%, respectively. Energy was the worst performing sector, down 17.46%, followed by consumer staples, which was down 5.33%.

### What factors affected the Series' performance during the fiscal year?

■ The Series outperformed the Russell 2000® Value Index for the year. By sector, performance was driven by positive stock selection in the consumer staples, financial services, and producer durables sectors. Gains were offset by the effects of negative stock selection in health care.

■ Companies that contributed the most to performance were SiteOne Landscape Supply and National Beverage Corp.

■ SiteOne continued to consolidate the industry and saw accelerating organic daily sales growth. With the company's increased scale and initiatives such as improving its supply chain, SiteOne was able to expand gross margins during the year.

■ While National Beverage's carbonated soft drink brands were weak like the rest of the industry, these declines were more than offset by growth in the company's sparkling water portfolio, particularly the LaCroix brand. LaCroix's sales grew at a rapid clip over the past several years as the brand gained additional points of distribution. As a result, National Beverage grew its consolidated revenue and profits by double digits over the past 12 months. The company recently launched a new Shasta-branded line of flavored sparkling water.

■ Stocks that detracted the most from performance were Sally Beauty Holdings and Cass Information Systems, Inc.

■ Throughout the year, Sally Beauty Supply, one of the two core segments of Sally Beauty Holdings, struggled to drive positive traffic into stores. The core business underwent a major transformation in terms of look, branding, service, and assortment. Sally also tinkered with its loyalty program, with plans to launch chain-wide in 2018. The company took price cuts on certain products in an effort to drive more traffic to its stores and maintain a more consistent value image. The professional segment had better results, with some execution missteps when it came to promotions.

■ Although Cass's shares lagged, driven by the persistently low interest rate environment, the company was a solid generator of free cash flow, returning excess cash to shareholders in the form of regular cash dividends (paid continuously since 1934), opportunistic stock dividends, and sizeable share repurchases.

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**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.

# KAR Small-Cap Value Series (Continued)

**Prospectus:** For additional information on risks, please see the Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Industrials	21%
Financials	16
Information Technology	16
Consumer Discretionary	15
Real Estate	11
Consumer Staples	6
Health Care	6
Other (includes short-term investments)	<u>9</u>
Total	<u>100%</u>

# KAR Small-Cap Value Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years
<b>Class A shares at NAV<sup>2</sup></b>	<b>20.16%</b>	<b>16.54%</b>	<b>7.91%</b>
<b>S&amp;P 500<sup>®</sup> Index*</b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>
<b>Russell 2000<sup>®</sup> Value Index*</b>	<b>7.84</b>	<b>13.01</b>	<b>8.17</b>

**Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.39%, Net 1.20%.**

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

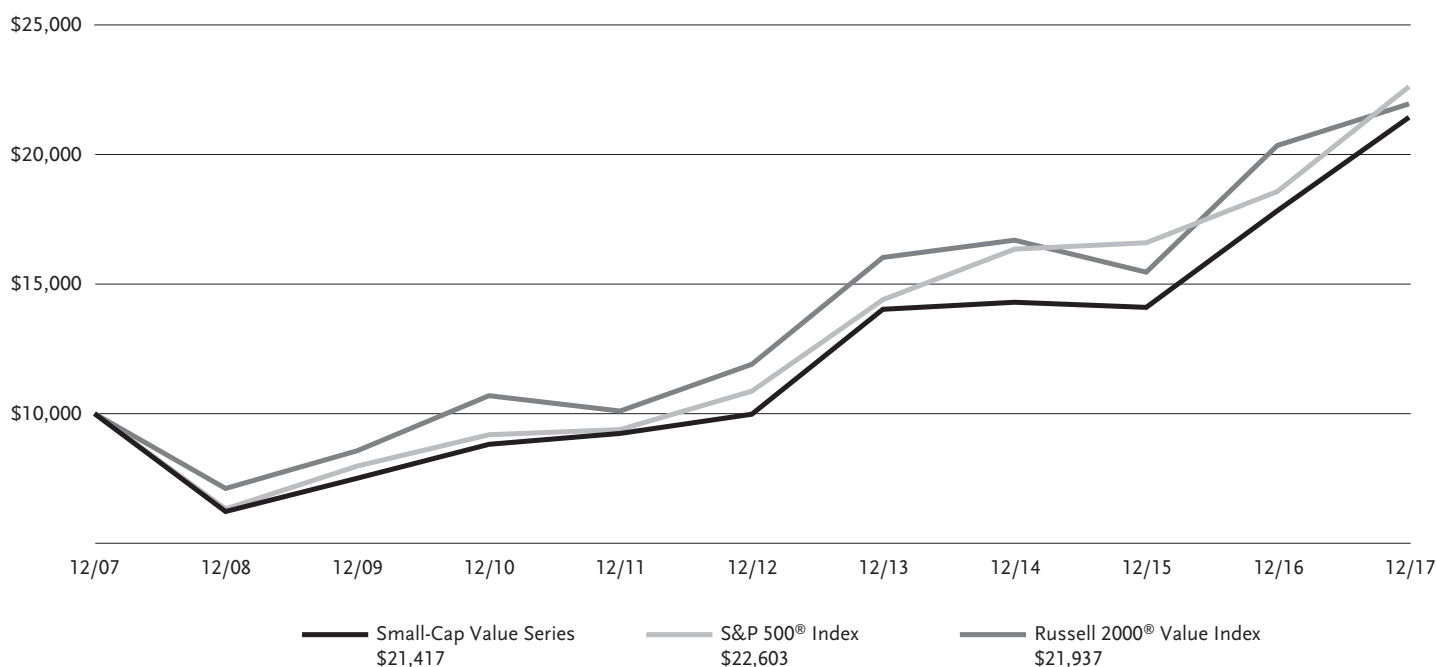
<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance accounts.

<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

\* The Russell 2000<sup>®</sup> Value Index is an appropriate broad-based index. The Series is no longer using the S&P 500<sup>®</sup> Index.

**Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# Newfleet Multi-Sector Intermediate Bond Series

## Series Summary (Unaudited) Portfolio Manager Commentary by Newfleet Asset Management, LLC

■ **The Series** is diversified and has an investment objective of long-term total return. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 6.72% and Class I shares at NAV returned 7.00%. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, which serves as the broad-based and style-specific benchmark index appropriate for comparison, returned 3.54%.

*All performance figures assume reinvestment of distributions and exclude the effect of fees and expenses associated with the variable life insurance or annuity product through which you invest. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

### How did the markets perform during the fiscal year ended December 31, 2017?

Most spread sectors outperformed U.S. Treasuries during the fiscal year ended December 31, 2017. The global growth outlook remained favorable and the search for yield persisted through the end of the fiscal year. Within most fixed income sectors, longer duration and lower quality assets were key drivers of performance.

The positive tone of the market that continued after the surprise outcome of the U.S. presidential election faced numerous challenges over the fiscal year. Geopolitical tensions with North Korea, continued gridlock in Washington, moderate volatility in oil prices, and major weather events such as Hurricane Harvey caused periods of weakness within spread sectors. However, these periods were short-lived as investors bought into any meaningful dip in prices, quickly pushing prices higher.

As anticipated, the Federal Reserve (the Fed) raised its target rate 0.25% on three separate occasions during the last 12 months to a range of 1.25% to 1.50%. During its September 2017 meeting, the Fed announced the start of its balance sheet reduction plan.

Over the 12 months ended December 31, 2017, short-term interest rates increased while longer-term rates decreased. This was due to the Fed rate hikes and U.S. inflation data that was generally below expectations.

### What factors affected the Fund's performance during the fiscal year?

The underperformance of U.S. Treasuries relative to most fixed income spread sectors was the key driver of the Fund's outperformance for the fiscal year ended December 31, 2017. Among fixed income sectors, the Fund's allocations to corporate high yield, emerging markets high yield, and high quality Yankee bonds were the largest positive contributors to performance for the fiscal year.

During the fiscal year, the Fund's allocation to high yield bank loans was the largest detractor from performance. Valuations in the sector remained attractive on a risk-adjusted relative basis, and warranted strategic allocation, especially given the short duration nature of the asset class in a rising rate environment.

*The preceding information is the opinion of portfolio management only through the end of the period of the report as stated on the cover. Any such opinions are subject to change at any time based upon market or other conditions and should not be relied upon as investment advice.*

**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.



# Newfleet Multi-Sector Intermediate Bond Series (Continued)

**Prospectus:** For additional information on risks, please see the Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Corporate Bonds and Notes		54%
Financials	15%	
Energy	11	
Materials	6	
All other corporate bond and note sectors	22	
Mortgage Backed Securities		15
Foreign Government Securities		10
Loan Agreements		7
Asset-Backed Securities		5
U.S. Government Securities		3
Preferred Stocks		2
Other (includes short-term investments)		4
Total		<u>100%</u>

# Newfleet Multi-Sector Intermediate Bond Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years	Since Inception	Inception Date
<b>Class A shares at NAV<sup>2</sup></b>	<b>6.72%</b>	<b>3.71%</b>	<b>6.43%</b>	—	—
<b>Class I shares at NAV<sup>2</sup></b>	<b>7.00</b>	—	—	<b>3.52%</b>	<b>4/30/13</b>
<b>Bloomberg Barclays U.S. Aggregate Bond Index</b>	<b>3.54</b>	<b>2.10</b>	<b>4.01</b>	<b>2.06<sup>4</sup></b>	—

**Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.02%, Net 0.97%; Class I shares: Gross 0.77%, Net 0.72%.**

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

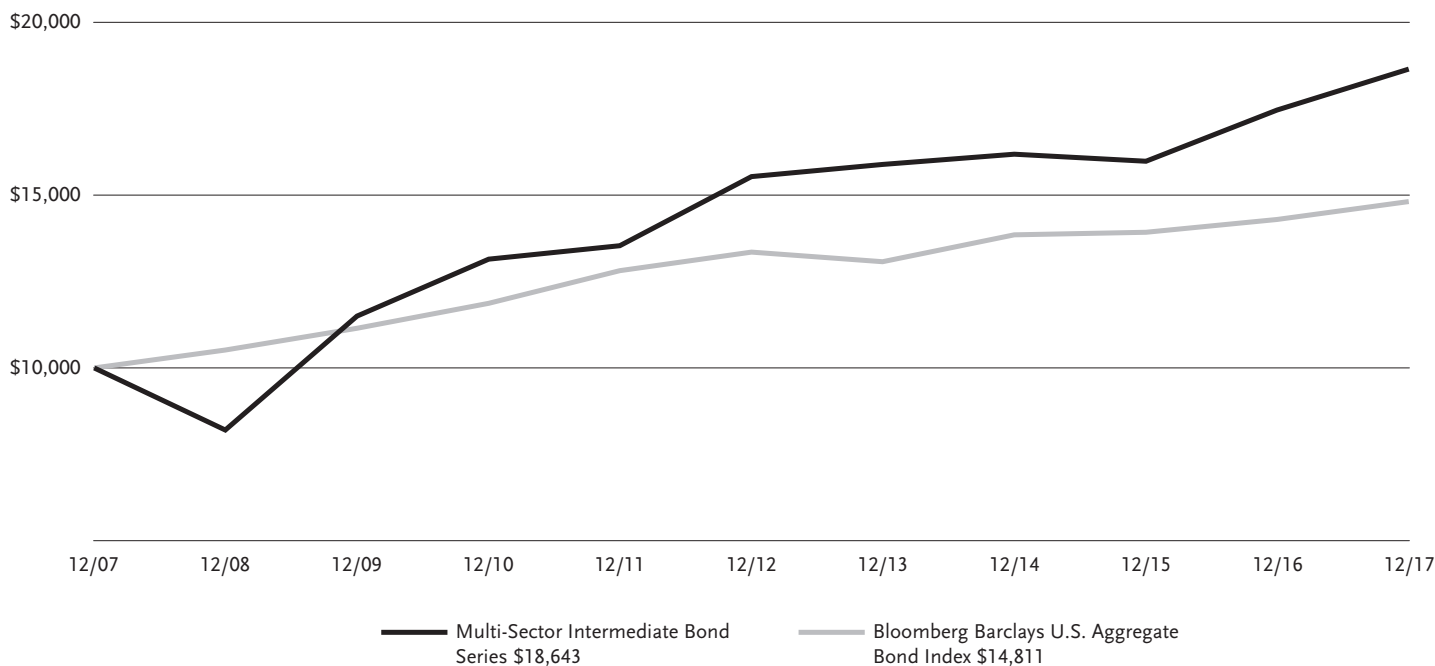
<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance products.

<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

<sup>4</sup> The since inception index returns are from the inception date of Class I shares.

## Growth of \$10,000 For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the expenses associated with active management of an actual portfolio.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# Rampart Enhanced Core Equity Series

## Series Summary (Unaudited)

### Portfolio Manager Commentary by

### Rampart Investment Management Company, LLC (“Rampart”)

■ **The Series** is diversified and has investment objectives of capital appreciation and current income. *There is no guarantee that the Series will meet its objectives.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 22.96%. For the same period, the S&P 500® Index, which serves as the broad-based and style-specific benchmark index appropriate for comparison, returned 21.83%.

*All performance figures assume reinvestment of distributions and exclude the effect of fees and expenses associated with the variable life insurance or annuity product through which you invest. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

## How did the markets perform during the fiscal year ended December 31, 2017?

The year ended December 31, 2017, was a remarkable one, with a near-constant series of significant political, economic, cultural, and environmental events. Amid this tumult, the U.S. stock market kept its eye on the prize: corporate tax cuts. As year-end approached, it appeared that nearly every index move could be attributed to the progress that the Tax Cuts and Jobs Act was making through Washington. This single-minded approach produced a series of all-time high price levels with record-low volatility.

To put the year into perspective, some data analysis is in order:

- The Chicago Board Options Exchange Volatility Index® (CBOE VIX®) reached both its lowest-ever intraday level (8.56) and its lowest-ever closing level (9.14) in November 2017.
- The average CBOE VIX® level during 2017 was the lowest of any year since the index was launched in 1990.
- The highest intraday CBOE VIX® level reached during the year (17.28) was lower than the long-term average CBOE VIX® level (19.36).
- One-month realized S&P 500® Index volatility in 2017 was the third-lowest ever at 6.67%, less than half the historical average.
- The S&P 500® Index had 62 new all-time high closes in 2017, the second most in a single year (1995 had 77).
- One quarter (25%) of all trading days in 2017 closed at an all-time high, and 33% of all trading days in the fourth quarter closed at an all-time high.
- Since the market lows of 2009, U.S. stocks have nearly quadrupled in value, with the aggregate S&P 500® Index market capitalization going from \$6 trillion to \$23 trillion.
- The market cap of the S&P 500® Index exceeds the estimated 2017 gross domestic product (GDP) of the U.S., and exceeds the combined GDPs of China, Japan, Germany, and the U.K.

The year 2017 will go down in history as a definitive example of a low-volatility bull market. Such an environment can be challenging for volatility trading strategies, particularly those with a goal of income generation. Low volatility tends to produce lower option prices, which tends to lead to tighter spreads between strike price levels.

## What factors affected the Series' performance during the fiscal year?

Even with challenging market dynamics, the options overlay strategy that drives performance in the Series performed well. This was partly because performance is more closely linked to the spread between implied volatility (as measured by the CBOE VIX® Index) and realized volatility, than it is to the absolute level of volatility itself. Through this lens, 2017 had rather favorable characteristics. For example, the average volatility spread during 2017 of 4.1% was nearly spot-on the historical average of 4.2%. For the first time since the CBOE VIX® Index was first launched in 1990, this spread was positive throughout the year, without a single negative day.

In this context, the Series performed well during the fiscal year, outperforming the S&P 500® Index by 1.13%. The year was not without its share of drama, though. The combination of extremely low volatility and relentlessly upward moving stock prices put pressure on the options trading strategy near the end of November 2017. In such an environment, the Series' short call options can occasionally expire in-the-money, requiring the Series to make a payment to settle the positions.

The portfolio management team made efforts during the year to control the risk associated with upside index moves, as our research and experience have highlighted this as a feature of low volatility bull markets. But at the same time, we are always aware that large gap moves – the more serious risk to options strategy performance – are typically experienced to the downside. By balancing these two risks – the greater probability of smaller losses to the upside versus the smaller probability of larger losses to the downside – the Series was able to successfully navigate the fourth quarter and the year.

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# Rampart Enhanced Core Equity Series (Continued)

**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.

**Call/Put Spreads:** Buying and selling call and put option spreads on the SPX Index risks the loss of the premium when buying, can limit upside participation and increase downside losses.

**Portfolio Turnover:** The Series' principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

**Fund of Funds:** Because the Series can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

**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 Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments net of written options as of December 31, 2017.

Information Technology	24%
Financials	15
Health Care	13
Consumer Discretionary	12
Industrials	10
Consumer Staples	8
Energy	6
Other (includes purchased and written options and short-term investment)	<u>12</u>
Total	<u>100%</u>

# Rampart Enhanced Core Equity Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	10 years
<b>Class A shares at NAV<sup>2</sup></b>	<b>22.96%</b>	<b>12.11%</b>	<b>6.13%</b>
<b>S&amp;P 500<sup>®</sup> Index</b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>
<b>Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.21%, Net 1.00%.</b>			

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

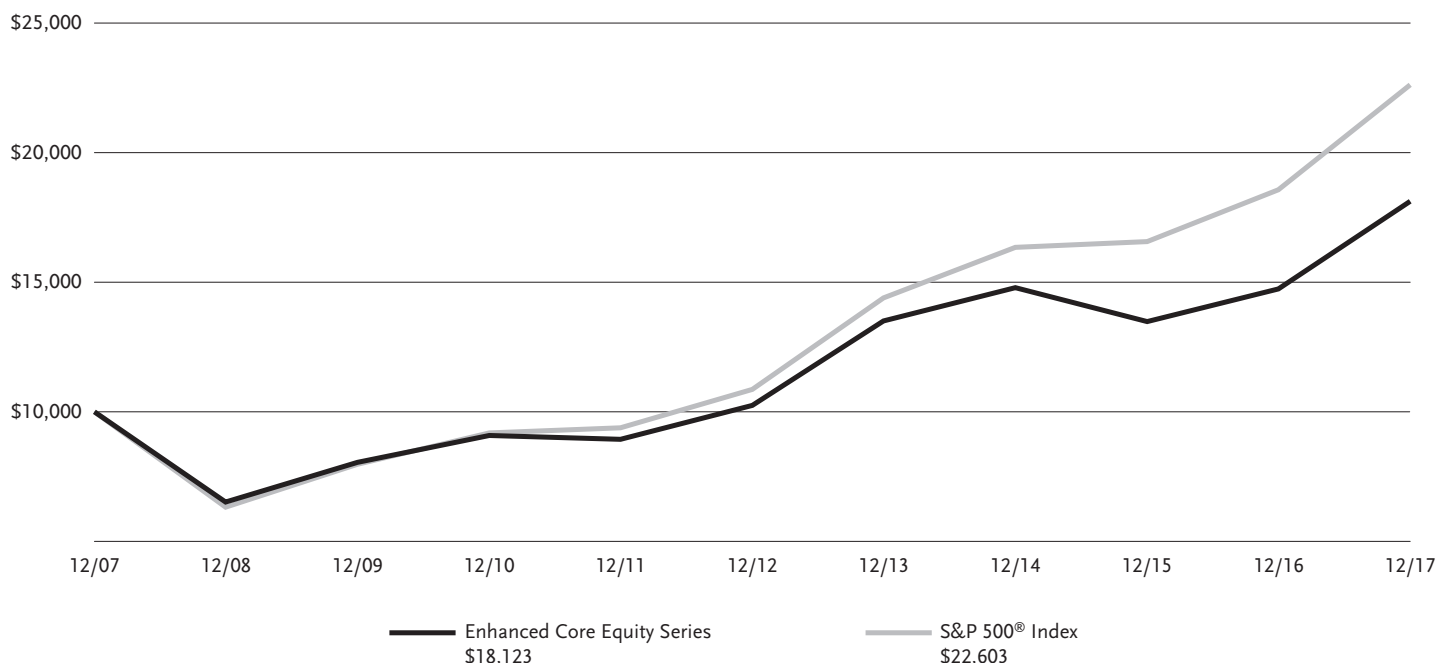
<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance accounts.

<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

**Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



The index is unmanaged and not available for direct investment; therefore, its performance does not reflect the expenses associated with active management of an actual portfolio.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# Rampart Equity Trend Series

## Series Summary (Unaudited) Portfolio Manager Commentary by Rampart Investment Management Company, LLC (“Rampart”)

■ **The Series** is diversified and has an investment objective of long-term capital appreciation. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 20.44% and Class I shares at NAV returned 20.73%. For the same period, the S&P 500® Index, which serves as the broad-based equity index and style-specific benchmark index appropriate for comparison, returned 21.83%.

*All performance figures assume reinvestment of distributions and exclude the effect of fees and expenses associated with the variable life insurance or annuity product through which you invest. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

### How did the markets perform during the fiscal year ended December 31, 2017?

The year ended December 31, 2017, was a remarkable one, with a near-constant series of significant political, economic, cultural, and environmental events. Amid this tumult, the U.S. stock market kept its eye on the prize: corporate tax cuts. As year-end approached, it appeared that nearly every index move could be attributed to the progress that the Tax Cuts and Jobs Act was making through Washington. This single-minded approach produced a series of all-time high price levels with record-low volatility.

To put the year into perspective, some data analysis is in order:

- The Chicago Board Options Exchange Volatility Index® (CBOE VIX®) reached both its lowest-ever intraday level (8.56) and its lowest-ever closing level (9.14) in November 2017.
- The average CBOE VIX® level during 2017 was the lowest of any year since the index was launched in 1990.
- The highest intraday CBOE VIX® level reached during the year (17.28) was lower than the long-term average CBOE VIX® level (19.36).
- One-month realized S&P 500® Index volatility in 2017 was the third-lowest ever at 6.67%, less than half the historical average.
- The S&P 500® Index had 62 new all-time high closes in 2017, the second most in a single year (1995 had 77).
- One quarter (25%) of all trading days in 2017 closed at an all-time high, and 33% of all trading days in the fourth quarter closed at an all-time high.
- Since the market lows of 2009, U.S. stocks have nearly quadrupled in value, with the aggregate S&P 500® Index market capitalization going from \$6 trillion to \$23 trillion.
- The market cap of the S&P 500® Index exceeds the estimated 2017 gross domestic product (GDP) of the U.S., and exceeds the combined GDPs of China, Japan, Germany, and the U.K.

Thus, 2017 will go down in history as a definitive example of a low-volatility bull market. While the upward move was led by the technology sector, the rally was broad. Only one sector, energy, was down for the year, and seven out of 10 sectors were up 10% or more. The story during the fourth quarter of 2017 was similar, with only one sector (utilities) slightly down during the period. Without a doubt, 2017 saw the continuation of a remarkably broad and strong bull market in U.S. large cap stocks.

### What factors affected the Series' performance during the fiscal year?

The Equity Trend Series underperformed the S&P 500® Index during the fiscal year ended December 31, 2017, gaining 20.73% compared to 21.83% for the index. The majority of this underperformance occurred during the third quarter, when the Series underperformed the index by nearly 2%. This was driven by two main factors: difficulty in identifying strong and weak market components, and allocation limitations emerging from the Series' diversified investment technique.

Significant outperformance during the fourth quarter of 2017 gained back much of this loss, and represented the improved environment for momentum and trend-based investment strategies, such as the relative strength technique that drives allocations in the Series. Examples of this increased recent effectiveness can be found in the Series' sub-industry allocations during the fourth quarter. While the top-performing sub-industries for the quarter were well-represented in the Series (in many cases with weightings in excess of the index), none of the 10 worst-performing sub-industries were held in the Series' portfolio. This ability to identify and appropriately allocate to those market components which are exhibiting strength or weakness is one of the goals of the Series' investment strategy.

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# Rampart Equity Trend Series (Continued)

**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.

**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.

**Allocation:** The Series' exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

**Prospectus:** For additional information on risks, please see the Series' prospectus.

## Asset Allocation

The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.

Consumer Discretionary	19%
Information Technology	17
Industrials	16
Financials	13
Materials	10
Real Estate	6
Health Care	6
Other (includes short-term investments)	13
Total	<u>100%</u>

# Rampart Equity Trend Series (Continued)

**Average Annual Total Returns<sup>1</sup>** for periods ended 12/31/17

	1 year	5 years	Since Inception	Inception Date
<b>Class A shares at NAV<sup>2</sup></b>	<b>20.44%</b>	<b>7.31%</b>	<b>6.12%</b>	<b>2/14/11</b>
<b>Class I shares at NAV<sup>2</sup></b>	<b>20.73</b>	<b>—</b>	<b>5.44</b>	<b>4/30/13</b>
<b>S&amp;P 500<sup>®</sup> Index</b>	<b>21.83</b>	<b>15.79</b>	<b>—<sup>4</sup></b>	<b>—</b>

**Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.93%, Net 1.72%; Class I shares: Gross 1.68%, Net 1.47%.**

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

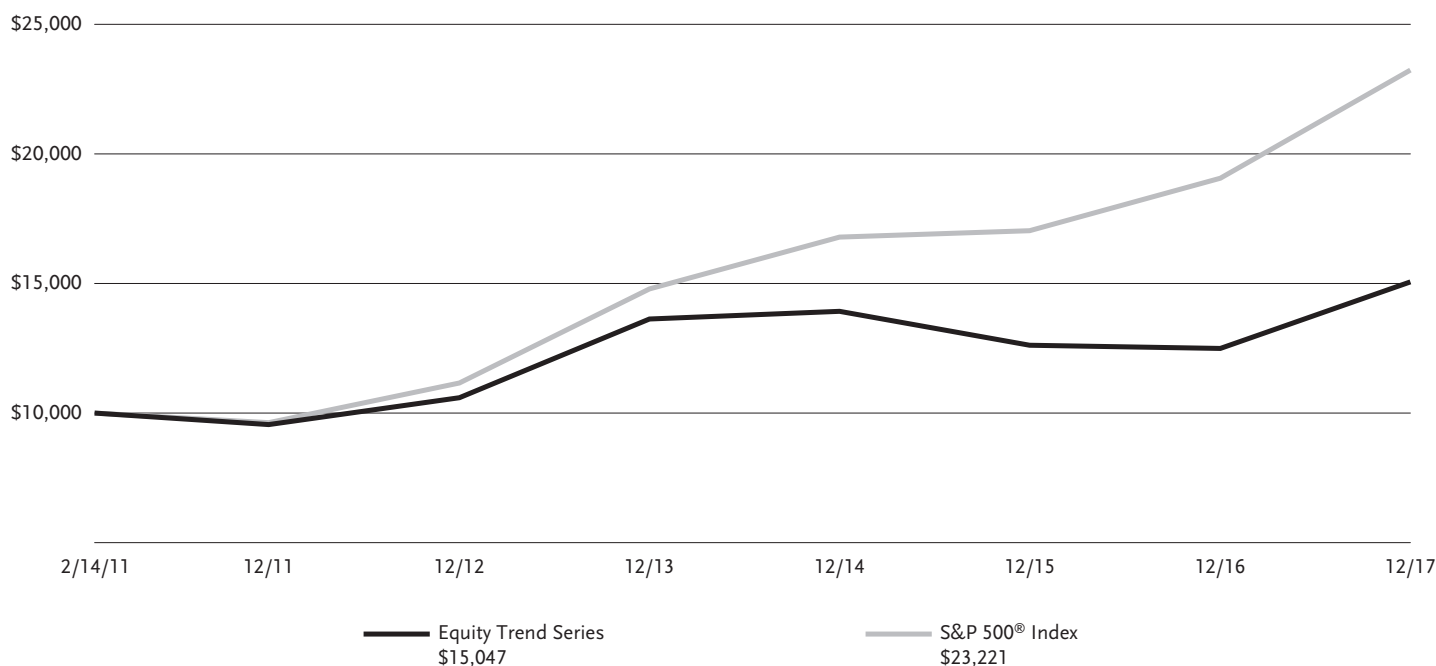
<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with the separate insurance products.

<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

<sup>4</sup> The index returned 13.03% for Class A shares and 14.04% for Class I shares since the inception date of the respective share classes.

**Growth of \$10,000** For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on February 14, 2011 (inception date of the Class A shares). Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



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For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.



# Strategic Allocation Series

## Series Summary (Unaudited)

### Portfolio Managers Commentaries by

**Kayne Anderson Rudnick Investment Management, LLC (domestic equity portfolio), Duff & Phelps Investment Management Co. (international equity portfolio), and Newfleet Asset Management, LLC (fixed income portfolio)**

■ **The Series** is diversified and has an investment objective of high total return over an extended period of time consistent with prudent investment risk. *There is no guarantee that the Series will meet its objective.*

■ For the fiscal year ended December 31, 2017, the Series' Class A shares at NAV returned 18.97%. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, a broad-based fixed income index, returned 3.54%. The Russell 1000® Growth Index, a broad-based U.S. equity index, returned 30.21%. The MSCI EAFE® Index (net), a broad-based international equity index, returned 25.03%. The Composite Index for the Series, the Series' style-specific benchmark appropriate for comparison, returned 18.18%.

*All performance figures assume reinvestment of distributions and exclude the effect of fees and expenses associated with the variable life insurance or annuity product through which you invest. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.*

## How did the markets perform during the fiscal year ended December 31, 2017?

### U.S. Equities

■ The year 2017 was a banner one for global equities: The S&P 500® Index returned 21.83%; foreign markets, as measured by the MSCI EAFE® Index (net), gained 25.03%; and emerging markets stocks, as measured by the MSCI Emerging Markets Index (net), climbed 37.28%. Growth stocks across the market-cap spectrum outperformed value stocks for the year, the opposite of what occurred in 2016.

■ The Russell 1000® Growth Index rose 30.22% in 2017. The utilities sector was by far the best performer, with a gain of 70.80%. Other contributing sectors included information technology (+41.55%), financials (+31.63%) and industrials (+31.42%). Energy was the only negative sector in the index for the year, down 6.70%.

### International Equities

■ International equity markets posted strong returns during each quarter of 2017, with the MSCI EAFE® Index (net) delivering a 25.03% return for the 12-month period. Equity markets worldwide displayed ongoing resilience on the back of continued global economic momentum.

■ Geopolitical tensions, natural disasters, and political divisions within many countries were relegated to background noise in 2017 as economic momentum fueled persistent optimism across most major developed markets.

### Fixed Income

■ Most spread sectors outperformed U.S. Treasuries during the fiscal year ended December 31, 2017. The global growth outlook remained favorable and the search for yield persisted through the end of the fiscal year. Within most fixed income sectors, longer duration and lower quality assets were key drivers of performance.

■ The positive tone of the market that continued after the surprise outcome of the U.S. presidential election faced numerous challenges over the fiscal year. Geopolitical tensions with North Korea, continued gridlock in Washington, moderate volatility in oil prices, and major weather events such as Hurricane Harvey caused periods of weakness within spread sectors. However, these periods were short-lived as investors bought into any meaningful dip in prices, quickly pushing prices higher.

■ As anticipated, the Federal Reserve (the Fed) raised its target rate 0.25% on three separate occasions during the last 12 months to a range of 1.25% to 1.50%. During its September 2017 meeting, the Fed announced the start of its balance sheet reduction plan.

■ Over the 12 months ended December 31, 2017, short-term interest rates increased while longer-term rates decreased. This was due to the Fed rate hikes and U.S. inflation data that was generally below expectations.

## What factors affected the Series' performance during the fiscal year?

### U.S. Equities

■ The Series' U.S. equity sleeve outperformed the Russell 1000® Growth Index for the year. The sleeve benefited from positive stock selection in the information technology and consumer staples sectors. Negative stock selection in health care and an overweight in energy detracted from performance.

■ Stocks that contributed the most to the year's gains were Facebook and Alibaba Group Holding.

■ Facebook continued to grow advertising revenue and take share in the online digital marketing space. The company delivered an unprecedented global reach of about 30% of the earth's population to advertisers in a measurable way. Facebook's user growth remained stunning despite its scale, and Instagram's Stories format had resounding success in fighting off competitors like Snapchat.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# Strategic Allocation Series (Continued)

- Alibaba's two marketplaces, Taobao and Tmall.com, combine to form the largest online commerce company in the world. Management has committed to a number of social initiatives to further improve mobile monetization over time. Alibaba's marketplaces have huge network effects, and the company made efforts to foster the ecosystem with investments in payments and logistics partnerships. Taobao, in particular, has become a destination for consumers, merchants, and key opinion leaders to interact and engage in what Alibaba calls social commerce. E-commerce penetration, mobile usage, and growth in Chinese consumer spending power were all durable long-term tailwinds benefitting the company during the fiscal period. Alibaba has attempted to seize the opportunity by using data to improve targeting and increasingly consummating transactions through Alipay, its leading mobile payment offering.
- Positions that detracted the most from performance were Bristol-Myers Squibb and Schlumberger.
- Bristol-Myers dominated the initial immuno-oncology (I/O) market, securing a market share over 80%. The company is working on combination therapies with a broad set of checkpoint inhibitors to treat cancer. However, a failed trial in first-line lung cancer and positive results from competitors led analysts to adjust assumptions for Bristol's ultimate market share and pricing power. When Bristol's back-up plan also fell through and left the company potentially years behind competitors, we exited our position.
- Schlumberger has historically traded at a premium due to its technological prowess, scale, and efficiency. However, its shares underperformed peers during the fiscal year due to its exposure to late-cycle offshore and international customers rather than the faster-growing North American shale basins. Schlumberger's business also became more capital intensive as it took ownership stakes in many of the fields alongside its operating customers. After trimming our position in April, we exited the name in July of 2017.

## International Equities

- Security selection detracted from the international equity sleeve's performance for the fiscal year ended December 31, 2017, partially offset by a positive impact from sector allocations. On a sector performance basis, all of the 11 market sectors posted positive returns, exemplifying the one-directional nature of international equity markets during the period.
- The Series' consumer discretionary holdings had a challenging year, detracting 2.55% on a relative basis for the period primarily due to unfavorable security selection (particularly IMAX and Subaru). The second largest detractor at the sector level was energy, due to both security selection (especially Technip) and the adverse effect of being overweight the sector as it lagged the index. The third largest detractor was materials, due to security selection, although an overweight position in the sector was accretive as it and other cyclical sectors led the market for the most part.
- On the positive side, the Series' industrial sector investments contributed 1.03% to relative performance for the year, primarily due to favorable security selection (particularly Nidec and Airbus). The second largest contributor at the sector level was information technology, primarily due to being overweight the sector as it too enjoyed a cyclical upswing. The third largest contributor was utilities, driven by security selection (especially Veolia).
- While the Series' positioning in the health care sector overall was not among the most impactful, it was notable in that the Series' strongest relative contributor (ICON plc) and second biggest detractor (Allergan plc) were health care names. We reaped some benefit from being underweight the sector as a whole, as it underperformed, and the net overall detraction was fairly minimal compared to the impact of other sectors.

## Fixed Income

- The underperformance of U.S. Treasuries relative to most fixed income spread sectors was the key driver of the fixed income portfolio's outperformance versus the Bloomberg Barclays U.S. Aggregate Bond Index for the fiscal year ended December 31, 2017. Among fixed income sectors, the portfolio's allocations to corporate high yield, emerging markets high yield, and corporate high quality securities were the largest positive contributors to performance for the fiscal year.
- During the fiscal year, the portfolio's allocation to high yield bank loans was the largest detractor from performance. Valuations in the sector remained attractive on a risk-adjusted relative basis, and warranted strategic allocation, especially given the short duration nature of the asset class in a rising rate environment.

*The preceding information is the opinion of portfolio management only through the end of the period of the report as stated on the cover. Any such opinions are subject to change at any time based upon market or other conditions and should not be relied upon as investment advice, and there is no guarantee that market forecasts will be realized.*

**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.

**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.

**Allocation:** The Series' exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

# Strategic Allocation Series (Continued)

**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.

**Prospectus:** For additional information on risks, please see the Series' prospectus.

<b>Asset Allocation</b>		
The following table presents asset allocations within certain sectors as a percentage of total investments as of December 31, 2017.		
Common Stocks		63%
Information Technology	22%	
Consumer Discretionary	13	
Financials	7	
All other common stock sectors	21	
Corporate Bonds and Notes		18
Financials	7	
Energy	2	
All other corporate bond and note sectors	9	
Mortgage Backed Securities		9
Asset-Backed Securities		3
U.S. Government Securities		2
Municipal Bonds		2
Other (includes short-term investments)		3
Total		<u>100%</u>

# Strategic Allocation Series (Continued)

Average Annual Total Returns<sup>1</sup> for periods ended 12/31/17

	1 year	5 years	10 years
<b>Class A shares at NAV<sup>2</sup></b>	<b>18.97%</b>	<b>7.56%</b>	<b>5.75%</b>
<b>S&amp;P 500<sup>®</sup> Index*</b>	<b>21.83</b>	<b>15.79</b>	<b>8.50</b>
<b>Russell 1000<sup>®</sup> Growth Index</b>	<b>30.21</b>	<b>17.33</b>	<b>10.00</b>
<b>MSCI EAFE<sup>®</sup> Index (net)</b>	<b>25.03</b>	<b>7.90</b>	<b>1.94</b>
<b>Bloomberg Barclays U.S. Aggregate Bond Index</b>	<b>3.54</b>	<b>2.10</b>	<b>4.01</b>
<b>Composite Index for Strategic Allocation Series*</b>	<b>18.18</b>	<b>10.58</b>	<b>7.14</b>
<b>Series Expense Ratios<sup>3</sup>: Class A shares: Gross 1.06%, Net 0.99%.</b>			

Returns represent past performance which is no guarantee of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Total return does not reflect expenses associated with the separate account such as the administrative fees, account charges and surrender charges, which if reflected, would reduce total return. Performance figures may reflect fee waivers and/or expense reimbursements. In the absence of fee waivers and/or expense reimbursements, the total return would have been lower. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

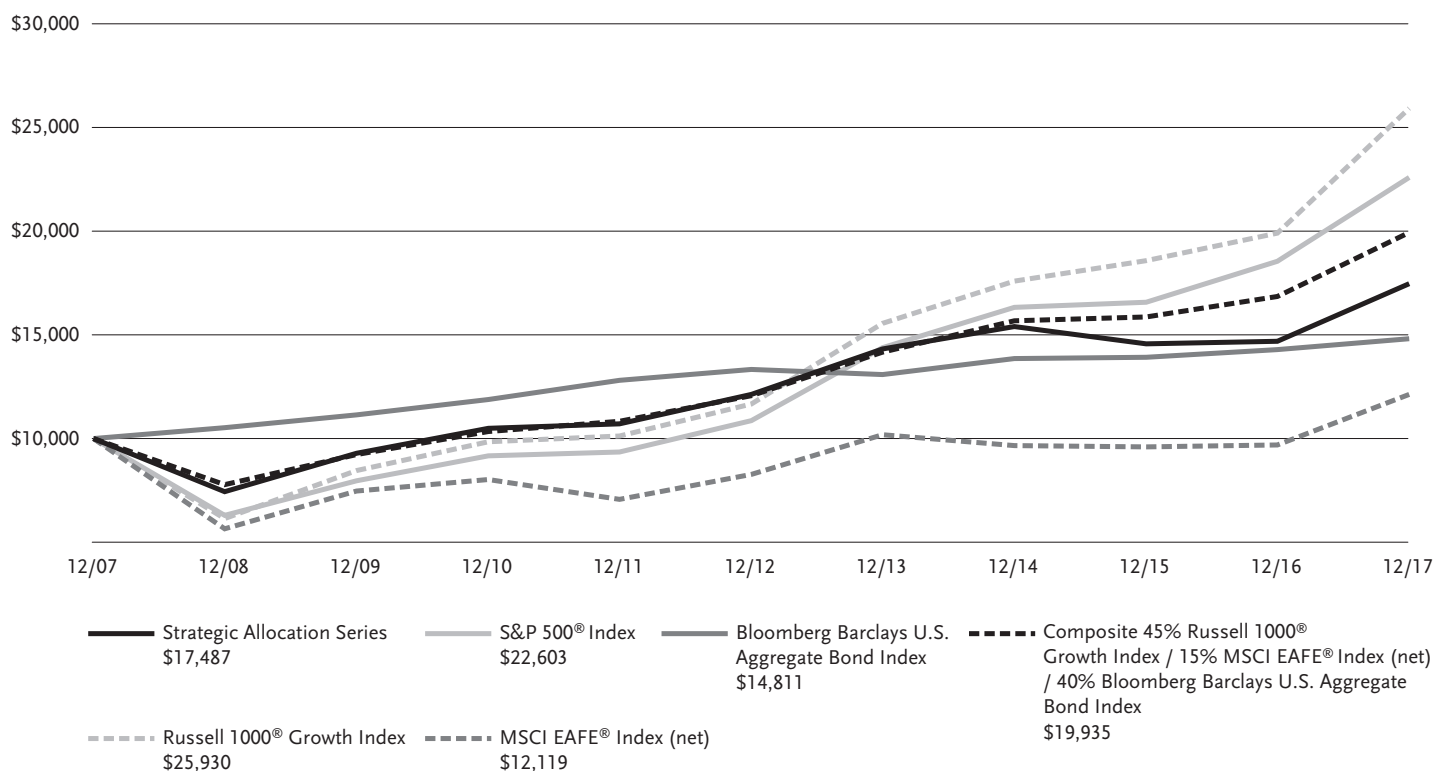
<sup>2</sup> "NAV" (Net Asset Value) total returns do not reflect any fees or expenses associated with separate insurance accounts.

<sup>3</sup> The expense ratios of the Series, both net and gross, are set forth according to the prospectus for the Series effective May 1, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the Financial Highlights for more current information. Net Expenses: Expenses reduced by a contractual waiver in effect through April 30, 2018. Gross Expenses: Do not reflect the effect of the contractual waiver. Expense ratios include fees and expenses associated with underlying funds.

\* The Composite Index for the Series no longer includes the S&P 500<sup>®</sup> Index.

## Growth of \$10,000 For periods ended 12/31

This chart assumes an initial investment of \$10,000 made on December 31, 2007 for Class A shares. Returns shown include the reinvestment of all distributions at net asset value, and the change in share price for the stated period.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

For information regarding the indexes and certain investment terms, see the Key Investment Terms starting on page 2.

**VIRTUS DUFF & PHELPS INTERNATIONAL SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>COMMON STOCKS—98.7%</b>		
<b>Consumer Discretionary—8.2%</b>		
Ctrip.com International Ltd. ADR (China) <sup>(1)</sup>	103,727	\$ 4,574
IMAX Corp. (Canada) <sup>(1)</sup>	200,346	4,638
Sony Corp. (Japan)	131,220	5,920
		<u>15,132</u>
<b>Consumer Staples—5.2%</b>		
Fomento Economico Mexicano SAB de C.V. ADR (Mexico)	56,147	5,272
Marine Harvest ASA (Norway) <sup>(1)</sup>	252,707	4,278
		<u>9,550</u>
<b>Energy—6.7%</b>		
Statoil ASA (Norway)	296,279	6,322
TechnipFMC plc (France)	194,536	6,034
		<u>12,356</u>
<b>Financials—28.9%</b>		
BOC Hong Kong Holdings Ltd. (Hong Kong)	1,061,500	5,380
CaixaBank SA (Spain)	1,179,110	5,502
China Construction Bank Corp. Class H (China)	6,175,000	5,691
Credit Agricole SA (France)	331,910	5,496
DBS Group Holdings Ltd. (Singapore)	380,510	7,070
ING Groep NV (Netherlands)	331,208	6,090
Nomura Holdings, Inc. (Japan)	941,800	5,559
ORIX Corp. (Japan)	356,290	6,022
UBS Group AG Registered Shares (Switzerland) <sup>(1)</sup>	333,663	6,143
		<u>52,953</u>
<b>Health Care—4.9%</b>		
Allergan plc (Ireland)	32,351	5,292
ICON plc (Ireland) <sup>(1)</sup>	32,328	3,626
		<u>8,918</u>
<b>Industrials—16.2%</b>		
Airbus SE (France)	61,027	6,078
Ashtead Group plc (United Kingdom)	248,896	6,694
Hitachi Ltd. (Japan)	890,215	6,936
Nidec Corp. (Japan)	44,935	6,305
RELX plc (United Kingdom)	157,863	3,706
		<u>29,719</u>
<b>Information Technology—8.5%</b>		
Broadcom Ltd. (Singapore)	21,517	5,528
Check Point Software Technologies Ltd. (Israel) <sup>(1)</sup>	45,130	4,676
SAP SE (Germany)	48,490	5,437
		<u>15,641</u>
<b>Materials—13.0%</b>		
Anhui Conch Cement Co., Ltd. Class H (China)	1,367,500	6,432
Glencore plc (Jersey) <sup>(1)</sup>	1,203,337	6,336
HeidelbergCement AG (Germany)	51,909	5,621
Toray Industries, Inc. (Japan)	569,750	5,373
		<u>23,762</u>

	SHARES	VALUE
<b>Real Estate—2.1%</b>		
LendLease Group (Australia)	303,952	\$ 3,877
<b>Telecommunication Services—2.0%</b>		
BT Group plc (United Kingdom)	982,641	3,605
<b>Utilities—3.0%</b>		
Veolia Environnement SA (France)	217,727	5,558
<b>TOTAL COMMON STOCKS</b>		
<b>(Identified Cost \$153,986)</b>		<b>181,071</b>
<b>TOTAL LONG TERM INVESTMENTS—98.7%</b>		
<b>(Identified Cost \$153,986)</b>		<b>181,071</b>
<b>SHORT-TERM INVESTMENT—1.4%</b>		
<b>Money Market Mutual Fund—1.4%</b>		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%) <sup>(2)</sup>	2,575,780	2,576
<b>TOTAL SHORT-TERM INVESTMENT</b>		
<b>(Identified Cost \$2,576)</b>		<b>2,576</b>
<b>TOTAL INVESTMENTS—100.1%</b>		
<b>(Identified Cost \$156,562)</b>		<b>183,647</b>
Other assets and liabilities, net—(0.1)%		(144)
<b>NET ASSETS—100.0%</b>		<b>\$183,503</b>

**Abbreviation:**  
ADR American Depositary Receipt

**Footnote Legend:**  
<sup>(1)</sup> Non-income producing.  
<sup>(2)</sup> Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

**Country Weightings† (unaudited)**

Japan	20%
France	12
China	9
United Kingdom	8
Singapore	7
Germany	6
Norway	6
Other	32
<b>Total</b>	<b>100%</b>

† % of total investments as of December 31, 2017

See Notes to Financial Statements

**VIRTUS DUFF & PHELPS INTERNATIONAL SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017  
(See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$181,071	\$181,071
Short-Term Investment	2,576	2,576
Total Investments	<u>\$183,647</u>	<u>\$183,647</u>

There were no securities valued using significant observable inputs (Level 2) or significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

**VIRTUS DUFF & PHELPS REAL ESTATE SECURITIES SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—98.8%</b>		
<b>Real Estate Investment Trusts—98.8%</b>		
<b>Data Centers—13.2%</b>		
CoreSite Realty Corp.	9,400	\$ 1,071
CyrusOne, Inc.	32,000	1,905
Digital Realty Trust, Inc.	32,150	3,662
Equinix, Inc.	7,975	3,614
		<u>10,252</u>
<b>Diversified—3.0%</b>		
Vornado Realty Trust	29,700	2,322
<b>Health Care—4.3%</b>		
Healthcare Realty Trust, Inc.	33,291	1,069
Healthcare Trust of America, Inc. Class A	76,400	2,295
		<u>3,364</u>
<b>Industrial/Office—29.7%</b>		
<b>Industrial—13.7%</b>		
DCT Industrial Trust, Inc.	48,057	2,825
Duke Realty Corp.	103,398	2,813
Prologis, Inc.	78,264	5,049
		<u>10,687</u>
<b>Office—16.0%</b>		
Alexandria Real Estate Equities, Inc.	19,050	2,488
Boston Properties, Inc.	7,014	912
Cousins Properties, Inc.	167,180	1,546
Douglas Emmett, Inc.	49,414	2,029
Highwoods Properties, Inc.	32,667	1,663
Kilroy Realty Corp.	24,164	1,804
Paramount Group, Inc.	123,860	1,963
		<u>12,405</u>
Total Industrial/Office		<u>23,092</u>
<b>Lodging/Resorts—2.8%</b>		
Host Hotels & Resorts, Inc.	36,904	733
RLJ Lodging Trust	66,553	1,462
		<u>2,195</u>
<b>Residential—25.3%</b>		
<b>Apartments—17.2%</b>		
American Campus Communities, Inc.	17,787	730
Apartment Investment & Management Co. Class A	59,700	2,609
AvalonBay Communities, Inc.	20,704	3,694
Equity Residential	41,731	2,661
Essex Property Trust, Inc.	6,955	1,679
Mid-America Apartment Communities, Inc.	19,800	1,991
		<u>13,364</u>
<b>Manufactured Homes—4.8%</b>		
Equity LifeStyle Properties, Inc.	12,042	1,072
Sun Communities, Inc.	28,150	2,612
		<u>3,684</u>

**Single Family Homes—3.3%**

American Homes 4 Rent Class A	118,800	\$ 2,595
Total Residential		<u>19,643</u>

**Retail—14.1%**

**Regional Malls—6.4%**

Simon Property Group, Inc.	29,201	5,015
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**Shopping Centers—7.7%**

Brixmor Property Group, Inc.	85,602	1,597
Federal Realty Investment Trust	11,000	1,461
Regency Centers Corp.	38,750	2,681
Tanger Factory Outlet Centers, Inc.	8,686	230
		<u>5,969</u>

Total Retail

10,984

**Self Storage—6.4%**

CubeSmart	79,600	2,302
Extra Space Storage, Inc.	23,948	2,094
Public Storage	2,761	577
		<u>4,973</u>

**TOTAL COMMON STOCKS**

**(Identified Cost \$53,285) 76,825**

**TOTAL LONG TERM INVESTMENTS—98.8%**

**(Identified Cost \$53,285) 76,825**

**SHORT-TERM INVESTMENT—1.0%**

**Money Market Mutual Fund—1.0%**

Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%) <sup>(1)</sup>	755,000	755
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**Total SHORT-TERM INVESTMENT**

**(Identified Cost \$755) 755**

**TOTAL INVESTMENTS—99.8%**

**(Identified cost \$54,050) 77,580**

Other assets and liabilities, net—0.2%

191

**NET ASSETS—100.0%**

77,771

**Footnote Legend**

<sup>(1)</sup> Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$76,825	\$76,825
Short-Term Investment	755	755
Total Investments	<u>\$77,580</u>	<u>\$77,580</u>

There were no securities valued using significant observable inputs (Level 2) or significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements

**VIRTUS KAR CAPITAL GROWTH SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>COMMON STOCKS—99.9%</b>		
<b>Consumer Discretionary—23.8%</b>		
Amazon.com, Inc. <sup>(1)</sup>	9,130	\$ 10,677
Ctrip.com International Ltd. ADR <sup>(1)</sup>	80,600	3,555
Home Depot, Inc. (The)	26,778	5,075
Las Vegas Sands Corp.	99,222	6,895
McDonald's Corp.	20,390	3,510
MercadoLibre, Inc.	4,020	1,265
Netflix, Inc. <sup>(1)</sup>	31,880	6,120
NIKE, Inc. Class B	68,635	4,293
Priceline Group, Inc. (The) <sup>(1)</sup>	1,769	3,074
Ross Stores, Inc.	55,367	4,443
Starbucks Corp.	76,338	4,384
	<u>53,291</u>	
<b>Consumer Staples—6.2%</b>		
Monster Beverage Corp. <sup>(1)</sup>	137,165	8,681
Philip Morris International, Inc.	49,701	5,251
	<u>13,932</u>	
<b>Energy—4.6%</b>		
Cabot Oil & Gas Corp.	146,873	4,200
Core Laboratories N.V.	23,246	2,547
Pioneer Natural Resources Co.	20,580	3,557
	<u>10,304</u>	
<b>Financials—6.4%</b>		
Bank of America Corp.	269,070	7,943
Charles Schwab Corp. (The)	67,757	3,481
MarketAxess Holdings, Inc.	14,990	3,024
	<u>14,448</u>	
<b>Health Care—7.7%</b>		
BioMarin Pharmaceutical, Inc. <sup>(1)</sup>	35,786	3,191
Danaher Corp.	37,207	3,454
HealthEquity, Inc. <sup>(1)</sup>	45,700	2,132
Illumina, Inc. <sup>(1)</sup>	16,760	3,662
Zoetis, Inc.	66,394	4,783
	<u>17,222</u>	
<b>Industrials—6.6%</b>		
Caterpillar, Inc.	30,570	4,817
Kansas City Southern	30,790	3,240
Rockwell Automation, Inc.	11,820	2,321
Roper Technologies, Inc.	17,142	4,440
	<u>14,818</u>	
<b>Information Technology—42.5%</b>		
Accenture plc Class A	24,791	3,795
Activision Blizzard, Inc.	61,350	3,885
Alibaba Group Holding Ltd. Sponsored ADR <sup>(1)</sup>	79,458	13,701
Alphabet, Inc. Class A <sup>(1)</sup>	3,589	3,781
Amphenol Corp. Class A	76,964	6,757
CoStar Group, Inc. <sup>(1)</sup>	10,800	3,207
Facebook, Inc. Class A <sup>(1)</sup>	121,182	21,384
Gartner, Inc. <sup>(1)</sup>	19,630	2,417
NVIDIA Corp.	39,110	7,568
Paycom Software, Inc. <sup>(1)</sup>	48,702	3,912
Tencent Holdings Ltd. ADR	118,930	6,175
Visa, Inc. Class A	77,118	8,793

**Information Technology—continued**

	SHARES	VALUE
Workday, Inc. Class A <sup>(1)</sup>	44,820	\$ 4,560
Yandex N.V. Class A <sup>(1)</sup>	163,345	5,350
		<u>95,285</u>

**Materials—2.1%**

Ecolab, Inc.	34,754	4,663
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**TOTAL COMMON STOCKS  
(Identified Cost \$119,419)**

**223,963**

**TOTAL LONG TERM INVESTMENTS—99.9%  
(Identified Cost \$119,419)**

**223,963**

**SHORT-TERM INVESTMENT—0.2%**

**Money Market Mutual Fund—0.2%**

Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%) <sup>(2)</sup>	483,256	483
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**TOTAL SHORT-TERM INVESTMENT  
(Identified Cost \$483)**

**483**

**TOTAL INVESTMENTS—100.1%  
(Identified Cost \$119,902)**

**224,446**

Other assets and liabilities, net—(0.1)%

(193)

**NET ASSETS—100.0%**

**\$224,253**

**Abbreviation:**

ADR American Depositary Receipt

**Footnote Legend:**

<sup>(1)</sup> Non-income producing.

<sup>(2)</sup> Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

**Country Weightings† (unaudited)**

United States	87%
China	11
Russia	2
<b>Total</b>	<b>100%</b>

† % of total investments as of December 31, 2017

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$223,963	\$223,963
Short-Term Investment	483	483
<b>Total Investments</b>	<b>\$224,446</b>	<b>\$224,446</b>

There were no securities valued using significant observable inputs (Level 2) or significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements



**VIRTUS KAR SMALL-CAP GROWTH SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>COMMON STOCKS—95.5%</b>		
<b>Consumer Discretionary—17.6%</b>		
Emerald Expositions Events, Inc.	87,850	\$ 1,787
Fox Factory Holding Corp. <sup>(1)</sup>	127,925	4,970
MercadoLibre, Inc.	11,350	3,571
Ollie's Bargain Outlet Holdings, Inc. <sup>(1)</sup>	75,140	4,001
	<u>14,329</u>	
<b>Consumer Staples—5.6%</b>		
Chefs' Warehouse, Inc. (The) <sup>(1)</sup>	124,350	2,549
PriceSmart, Inc.	23,000	1,981
	<u>4,530</u>	
<b>Financials—16.8%</b>		
FactSet Research Systems, Inc.	12,200	2,352
Financial Engines, Inc.	11,350	344
Interactive Brokers Group, Inc. Class A	89,530	5,301
MarketAxess Holdings, Inc.	10,150	2,048
Moelis & Co. Class A	13,885	673
Morningstar, Inc.	30,740	2,981
	<u>13,699</u>	
<b>Health Care—8.0%</b>		
Abaxis, Inc.	34,100	1,688
National Research Corp. Class A	83,240	3,105
U.S. Physical Therapy, Inc.	24,000	1,733
	<u>6,526</u>	
<b>Industrials—19.5%</b>		
AAON, Inc.	45,600	1,673
Copart, Inc. <sup>(1)</sup>	79,500	3,434
HEICO Corp. Class A	45,811	3,621
Old Dominion Freight Line, Inc.	32,000	4,210
Omega Flex, Inc.	41,699	2,978
	<u>15,916</u>	
<b>Information Technology—28.0%</b>		
ANSYS, Inc. <sup>(1)</sup>	14,820	2,187
Aspen Technology, Inc. <sup>(1)</sup>	45,420	3,007
Autohome, Inc. ADR <sup>(1)</sup>	103,700	6,706
Ellie Mae, Inc. <sup>(1)</sup>	20,000	1,788
Mesa Laboratories, Inc.	7,035	875
NVE Corp.	39,200	3,371
Paycom Software, Inc. <sup>(1)</sup>	14,700	1,181
Rightmove plc	60,000	3,645
	<u>22,760</u>	
<b>TOTAL COMMON STOCKS</b>		
<b>(Identified Cost \$37,099)</b>		<b>77,760</b>
<b>TOTAL LONG TERM INVESTMENTS—95.5%</b>		
<b>(Identified Cost \$37,099)</b>		<b>77,760</b>

**SHORT-TERM INVESTMENT—4.8%**

**Money Market Mutual Fund—4.8%**

Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%)<sup>(2)</sup> 3,928,117 \$ 3,928

**TOTAL SHORT-TERM INVESTMENT**  
**(Identified Cost \$3,928) 3,928**

**TOTAL INVESTMENTS—100.3%**  
**(Identified Cost \$41,027) 81,688**

Other assets and liabilities, net—(0.3)% (233)

**NET ASSETS—100.0% \$81,455**

**Abbreviation:**

ADR American Depositary Receipt

**Footnote Legend:**

<sup>(1)</sup> Non-income producing.

<sup>(2)</sup> Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

**Country Weightings† (unaudited)**

United States	87%
China	8
United Kingdom	5
Total	100%

† % of total investments as of December 31, 2017

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$77,760	\$77,760
Short-Term Investment	3,928	3,928
Total Investments	<u>\$81,688</u>	<u>\$81,688</u>

There were no securities valued using significant observable inputs (Level 2) or significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

**VIRTUS KAR SMALL-CAP VALUE SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—99.3%</b>		
<b>Consumer Discretionary—15.1%</b>		
Cheesecake Factory, Inc. (The)	86,200	\$ 4,153
Cinemark Holdings, Inc.	84,900	2,956
Sally Beauty Holdings, Inc. <sup>(1)</sup>	124,000	2,327
Thor Industries, Inc.	32,100	4,838
		<u>14,274</u>
<b>Consumer Staples—6.0%</b>		
National Beverage Corp.	38,650	3,766
WD-40 Co.	15,900	1,876
		<u>5,642</u>
<b>Energy—3.7%</b>		
Core Laboratories N.V.	31,800	3,484
<b>Financials—16.0%</b>		
Artisan Partners Asset Management, Inc. Class A	73,200	2,891
Bank of Hawaii Corp.	45,070	3,863
First Financial Bankshares, Inc.	54,870	2,472
Primerica, Inc.	33,828	3,435
RLI Corp.	40,450	2,454
		<u>15,115</u>
<b>Health Care—5.8%</b>		
Anika Therapeutics, Inc. <sup>(1)</sup>	62,830	3,387
Patterson Cos., Inc.	59,500	2,150
		<u>5,537</u>
<b>Industrials—21.5%</b>		
Graco, Inc.	70,110	3,170
Landstar System, Inc.	28,100	2,925
Lincoln Electric Holdings, Inc.	22,010	2,016
RBC Bearings, Inc. <sup>(1)</sup>	31,050	3,925
SiteOne Landscape Supply, Inc. <sup>(1)</sup>	67,850	5,204
Watsco, Inc.	18,050	3,069
		<u>20,309</u>
<b>Information Technology—15.7%</b>		
American Software, Inc. Class A	102,600	1,193
Badger Meter, Inc.	71,466	3,416
Cass Information Systems, Inc.	53,454	3,112
Cognex Corp.	38,980	2,384
Jack Henry & Associates, Inc.	24,640	2,882
Manhattan Associates, Inc. <sup>(1)</sup>	37,750	1,870
		<u>14,857</u>
<b>Materials—4.2%</b>		
Scotts Miracle-Gro Co. (The)	37,592	4,022
<b>Real Estate—11.3%</b>		
HFF, Inc. Class A	71,500	3,478
MGM Growth Properties LLC Class A	134,040	3,907

	<u>SHARES</u>	<u>VALUE</u>
<b>Real Estate—continued</b>		
RE/MAX Holdings, Inc. Class A	67,700	\$ 3,283
		<u>10,668</u>
<b>TOTAL COMMON STOCKS</b>		
<b>(Identified Cost \$60,251)</b>		<b>93,908</b>
<b>TOTAL LONG TERM INVESTMENTS—99.3%</b>		
<b>(Identified Cost \$60,251)</b>		<b>93,908</b>
<b>SHORT-TERM INVESTMENT—0.8%</b>		
<b>Money Market Mutual Fund—0.8%</b>		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%) <sup>(2)</sup>	796,967	797
<b>TOTAL SHORT-TERM INVESTMENT</b>		
<b>(Identified Cost \$797)</b>		<b>797</b>
<b>TOTAL INVESTMENTS—100.1%</b>		
<b>(Identified Cost \$61,048)</b>		<b>94,705</b>
Other assets and liabilities, net—(0.1)%		<u>(67)</u>
<b>NET ASSETS—100.0%</b>		<b><u>\$94,638</u></b>

**Footnote Legend:**

<sup>(1)</sup> Non-income producing.

<sup>(2)</sup> Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices
Equity Securities:		
Common Stocks	\$93,908	\$93,908
Short-Term Investment	797	797
Total Investments	<u>\$94,705</u>	<u>\$94,705</u>

There were no securities valued using significant observable inputs (Level 2) or significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>U.S. GOVERNMENT SECURITIES—2.7%</b>		
U.S. Treasury Note		
2.000%, 12/31/21	\$ 1,185	\$ 1,179
1.875%, 1/31/22	600	594
1.875%, 2/28/22	1,845	1,825
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>		
<b>(Identified Cost \$3,614)</b>		<b>3,598</b>
<b>MUNICIPAL BONDS—0.6%</b>		
<b>Michigan—0.1%</b>		
Tobacco Settlement Finance Authority Taxable Series A,		
7.309%, 6/1/34	185	184
<b>Virginia—0.5%</b>		
Tobacco Settlement Financing Corp. Series A-1, Taxable		
6.706%, 6/1/46	655	591
<b>TOTAL MUNICIPAL BONDS</b>		
<b>(Identified Cost \$830)</b>		<b>775</b>
<b>FOREIGN GOVERNMENT SECURITIES—10.3%</b>		
Argentine Republic		
5.625%, 1/26/22	130	137
7.500%, 4/22/26	540	611
Series NY,		
8.280%, 12/31/33	562	663
7.125%, 7/6/36	265	287
7.625%, 4/22/46	150	169
Bolivarian Republic of Venezuela		
7.650%, 4/21/25 <sup>(18)</sup>	825	169
9.375%, 1/13/34 <sup>(18)</sup>	295	60
Federative Republic of Brazil		
12.500%, 1/5/22	930 <sup>BRL</sup>	316
Treasury Note Series F,		
10.000%, 1/1/23	870 <sup>BRL</sup>	266
Treasury Note Series F,		
10.000%, 1/1/25	1,030 <sup>BRL</sup>	310
10.250%, 1/10/28	1,200 <sup>BRL</sup>	388
5.625%, 1/7/41	310	317
Kingdom of Bahrain 144A		
7.000%, 10/12/28 <sup>(3)</sup>	340	345
Kingdom of Morocco 144A		
5.500%, 12/11/42 <sup>(3)</sup>	300	340
Pakistan Government International Bond 144A		
6.875%, 12/5/27 <sup>(3)</sup>	285	286
Provincia de Buenos Aires		
144A, 9.125%, 3/16/24 <sup>(3)</sup>	280	328
144A, 7.875%, 6/15/27 <sup>(3)</sup>	465	517
Republic of Chile		
5.500%, 8/5/20	231,500 <sup>CLP</sup>	394
Republic of Colombia		
4.375%, 3/21/23	1,823,000 <sup>COF</sup>	577
9.850%, 6/28/27	283,000 <sup>COF</sup>	118
Republic of Costa Rica 144A		
7.000%, 4/4/44 <sup>(3)</sup>	315	325
Republic of Ghana 144A		
10.750%, 10/14/30 <sup>(3)</sup>	225	310
Republic of Indonesia		
Series FR70,		
8.375%, 3/15/24	4,196,000 <sup>IDR</sup>	344
Series FR56,		
8.375%, 9/15/26	6,228,000 <sup>IDR</sup>	520
144A, 4.350%, 1/8/27 <sup>(3)</sup>	270	286

**FOREIGN GOVERNMENT SECURITIES—continued**

	PAR VALUE	VALUE
Republic of Iraq RegS		
5.800%, 1/15/28 <sup>(4)</sup>	\$ 250	\$ 242
Republic of South Africa		
Series R208,		
6.750%, 3/31/21	3,680 <sup>ZAR</sup>	291
4.875%, 4/14/26	200	204
4.300%, 10/12/28	785	757
Republic of Turkey		
4.875%, 10/9/26	570	562
4.875%, 4/16/43	420	368
Russian Federation		
144A, 7.850%, 3/10/18 <sup>(3)</sup>	30,000 <sup>RUB</sup>	521
Series 6216,		
6.700%, 5/15/19	20,000 <sup>RUB</sup>	347
Series 6215,		
7.000%, 8/16/23	11,865 <sup>RUB</sup>	206
Sultanate of Oman 144A		
4.750%, 6/15/26 <sup>(3)</sup>	470	456
Ukraine		
144A, 7.750%, 9/1/22 <sup>(3)</sup>	275	292
144A, 7.750%, 9/1/26 <sup>(3)</sup>	400	413
United Mexican States Series M,		
6.500%, 6/9/22	6,713 <sup>MXN</sup>	327
4.150%, 3/28/27	275	285
4.750%, 3/8/44	164	166

**TOTAL FOREIGN GOVERNMENT SECURITIES**

**(Identified Cost \$14,374) 13,820**

**MORTGAGE-BACKED SECURITIES—14.5%**

**Agency—4.9%**

	PAR VALUE	VALUE
FNMA		
3.000%, 4/1/43	424	426
3.000%, 5/1/43	791	795
3.500%, 1/1/45	170	174
3.500%, 5/1/45	258	266
3.500%, 8/1/45	1,244	1,278
3.000%, 12/1/45	654	654
3.500%, 1/1/46	639	657
3.500%, 1/1/46	515	530
3.500%, 1/1/47	375	385
4.000%, 4/1/47	147	154
4.000%, 7/1/47	109	115
4.000%, 8/1/47	866	907
4.000%, 9/1/47	318	333
		<b>6,674</b>

**Non-Agency—9.6%**

American Homes 4 Rent Trust		
2014-SFR2, C 144A, 4.705%, 10/17/36 <sup>(3)</sup>	435	462
2015-SFR2, C 144A, 4.691%, 10/17/45 <sup>(3)</sup>	340	363
2015-SFR1, A 144A, 3.467%, 4/17/52 <sup>(3)</sup>	323	331
Ameriquest Mortgage Securities, Inc.		
2003-AR3, M4, (5.850% minus 1 month LIBOR)		
4.593%, 6/25/33 <sup>(2)</sup>	310	308
2003-10, AF6, 5.210%, 11/25/33 <sup>(2)</sup>	5	5
AMSR Trust		
2016-SFR1, D 144A, (1 month LIBOR + 2.400%)		
3.891%, 11/17/33 <sup>(2)(3)</sup>	335	338
Banc of America Funding Trust		
2005-1, 1A1 5.500%, 2/25/35	94	94
Bank of America (Countrywide) Asset-Backed Certificates		
2005-1, AF5A 5.042%, 7/25/35 <sup>(2)</sup>	368	379

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Non-Agency—continued</b>		
Bank of America (Merrill Lynch - Countrywide) Alternative Loan Trust 2004-22CB, 1A1 6.000%, 10/25/34	\$ 159	\$ 164
Bank of America (Merrill Lynch) Commercial Mortgage Securities Trust 2015-200P, A 144A 3.218%, 4/14/33 <sup>(3)</sup>	295	298
Bayview Opportunity Master Fund IVa Trust 2016-SPL1, B1 144A, 4.250%, 4/28/55 <sup>(3)</sup>	275	284
2017-SPL1, B1 144A, 4.250%, 10/28/64 <sup>(2)(3)</sup>	203	208
Bayview Opportunity Master Fund IVb Trust 2016-SPL2, B1 144A, 4.250%, 6/28/53 <sup>(2)(3)</sup>	130	134
2017-SPL3, B1 144A, 4.250%, 11/28/53 <sup>(2)(3)</sup>	300	314
Caesars Palace Las Vegas Trust 2017-VICI, C 144A 4.138%, 10/15/34 <sup>(3)</sup>	215	221
CIT Home Equity Loan Trust 2003-1, A5 5.480%, 7/20/34 <sup>(2)</sup>	205	208
Citigroup Mortgage Loan Trust, Inc. 2015-A, A1 144A 3.500%, 6/25/58 <sup>(2)(3)</sup>	201	203
Colony American Finance Ltd. 2015-1, A 144A 2.896%, 10/15/47 <sup>(3)</sup>	214	214
Colony Starwood Homes Trust 2016-2A, C 144A, (1 month LIBOR + 2.150%) 3.627%, 12/17/33 <sup>(2)(3)</sup>	335	335
COLT Mortgage Loan Trust Funding LLC 2017-1, A3 144A 3.074%, 5/27/47 <sup>(2)(3)</sup>	220	220
Credit Suisse Commercial Mortgage Trust 2014-IVR2, A2 144A 3.807%, 4/25/44 <sup>(2)(3)</sup>	123	126
Credit Suisse Commercial Mortgage-Backed Trust 2006-8, 3A1 6.000%, 10/25/21	104	98
Deephaven Residential Mortgage Trust 2017-1A, A2 144A 2.928%, 12/26/46 <sup>(2)(3)</sup>	65	64
GAHR Commercial Mortgage Trust 2015-NRF, CFX 144A 3.382%, 12/15/34 <sup>(2)(3)</sup>	290	292
Galton Funding Mortgage Trust 2017-1, A21 144A 3.500%, 7/25/56 <sup>(2)(3)</sup>	199	200
GSAA Home Equity Trust 2005-12, AF3W 4.999%, 9/25/35 <sup>(2)</sup>	109	110
JPMorgan Chase (Bear Stearns) Adjustable Rate Mortgage Trust 2004-1, 21A1 3.396%, 4/25/34 <sup>(2)</sup>	137	137
JPMorgan Chase (Washington Mutual) Mortgage Pass-Through Certificates Trust 2004-CB1, 5A 5.000%, 6/25/19	4	4
JPMorgan Chase Commercial Mortgage Securities Trust 2007-LDPX, AM 5.464%, 1/15/49 <sup>(2)</sup>	99	99
JPMorgan Chase Mortgage Trust 2005-A1, 4A1, 3.829%, 2/25/35 <sup>(2)</sup>	13	13
2005-A4, 3A1, 3.408%, 7/25/35 <sup>(2)</sup>	15	15
2016-1, M2 144A, 3.750%, 4/25/45 <sup>(2)(3)</sup>	301	304
2016-2, M2 144A, 3.750%, 12/25/45 <sup>(2)(3)</sup>	373	377
JPMorgan Mortgage Trust 2017-5, A1 144A, 3.188%, 10/26/48 <sup>(2)(3)</sup>	483	487
2017-4, A3 144A, 3.500%, 11/25/48 <sup>(2)(3)</sup>	311	315
MASTR Alternative Loan Trust 2005-5, 2A3 5.500%, 7/25/25	140	132
MASTR Specialized Loan Trust 2005-3, A2 144A 5.704%, 11/25/35 <sup>(2)(3)</sup>	175	180
MetLife Securitization Trust 2017-1A, M1 144A 3.601%, 4/25/55 <sup>(2)(3)</sup>	150	155
Morgan Stanley - Bank of America (Merrill Lynch) Trust 2013-C13, AS 4.266%, 11/15/46	125	132

	PAR VALUE	VALUE
<b>Non-Agency—continued</b>		
New Residential Mortgage Loan Trust 2014-1A, A 144A, 3.750%, 1/25/54 <sup>(2)(3)</sup>	\$ 297	\$ 303
2015-2A, A1 144A, 3.750%, 8/25/55 <sup>(2)(3)</sup>	240	245
2016-1A, A1 144A, 3.750%, 3/25/56 <sup>(2)(3)</sup>	207	211
2016-4A, B1A 144A, 4.500%, 11/25/56 <sup>(2)(3)</sup>	297	315
One Market Plaza Trust 2017-1MKT, A 144A 3.614%, 2/10/32 <sup>(3)</sup>	260	268
Pretium Mortgage Credit Partners I LLC 2017-NPL2, A1 144A 3.250%, 3/28/57 <sup>(2)(3)</sup>	213	213
Pretium Mortgage Credit Partners LLC 2017-NPL5, A1 144A 3.327%, 12/30/32 <sup>(2)(3)</sup>	131	131
Residential Asset Mortgage Products Trust 2004-SL1, A8, 6.500%, 11/25/31	20	21
2005-SL2, A4, 7.500%, 2/25/32	157	147
Residential Asset Securitization Trust 2005-A1, A3 5.500%, 4/25/35	229	235
Sequoia Mortgage Trust 2013-8, B1 3.534%, 6/25/43 <sup>(2)</sup>	192	191
Structured Adjustable Rate Mortgage Loan Trust 2004-4, 3A1 3.542%, 4/25/34 <sup>(2)</sup>	154	155
Sutherland Commercial Mortgage Loans 2017-SBC6, A 144A 3.192%, 5/25/37 <sup>(2)(3)</sup>	94	94
Towd Point Mortgage Trust 2015-1, A2 144A, 3.250%, 10/25/53 <sup>(2)(3)</sup>	255	257
2015-6, M1 144A, 3.750%, 4/25/55 <sup>(2)(3)</sup>	130	135
2015-5, A2 144A, 3.500%, 5/25/55 <sup>(2)(3)</sup>	315	324
2017-1, M1 144A, 3.750%, 10/25/56 <sup>(2)(3)</sup>	135	137
2015-2, 1M1 144A, 3.250%, 11/25/60 <sup>(2)(3)</sup>	855	869
Vericrest Opportunity Loan Trust LLC 2017-NPL3, A1 144A 3.500%, 3/25/47 <sup>(2)(3)</sup>	215	216
Wells Fargo Commercial Mortgage Trust 2015-LC20, B 3.719%, 4/15/50	150	150
		12,940

**TOTAL MORTGAGE-BACKED SECURITIES**  
**(Identified Cost \$19,470)** **19,614**

**ASSET-BACKED SECURITIES—4.8%**

**Automobiles—3.1%**

AmeriCredit Automobile Receivables Trust 2017-3, D 3.180%, 7/18/23	405	406
Capital Auto Receivables Asset Trust 2017-1, D 144A 3.150%, 2/20/25 <sup>(3)</sup>	340	338
Carnow Auto Receivables Trust 2016-1A, D 144A 7.340%, 11/15/21 <sup>(3)</sup>	325	327
Drive Auto Receivables Trust 2017-2, C 2.750%, 9/15/23	405	405
Exeter Automobile Receivables Trust 2014-1A, C 144A, 3.570%, 7/15/19 <sup>(3)</sup>	67	67
2015-2A, C 144A, 3.900%, 3/15/21 <sup>(3)</sup>	380	385
2014-3A, D 144A, 5.690%, 4/15/21 <sup>(3)</sup>	410	420
First Investors Auto Owner Trust 2015-2A, E 144A 5.590%, 11/15/22 <sup>(3)</sup>	400	401
Flagship Credit Auto Trust 2014-1, E 144A, 5.710%, 8/16/21 <sup>(3)</sup>	305	311
2016-3, D 144A, 3.890%, 11/15/22 <sup>(3)</sup>	400	404
Foursight Capital Automobile Receivables Trust 2017-1, B 144A 3.050%, 12/15/22 <sup>(3)</sup>	320	318
GLS Auto Receivables Trust 2017-1A, B 144A 2.980%, 12/15/21 <sup>(3)</sup>	405	404
		4,186

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Other—1.6%</b>					
CKE Restaurant Holdings, Inc. 2013-1A, A2 144A 4.474%, 3/20/43 <sup>(3)</sup>	\$ 354	\$ 355			
Diamond Resorts Owner Trust 2017-1A, A 144A 3.270%, 10/22/29 <sup>(3)</sup>	313	311			
Drug Royalty II LP 2 2014-1, A2 144A 3.484%, 7/15/23 <sup>(3)</sup>	203	202			
HOA Funding LLC 2014-1A, A2 144A 4.846%, 8/20/44 <sup>(3)</sup>	379	368			
Mariner Finance Issuance Trust 2017-AA, A 144A 3.620%, 2/20/29 <sup>(3)</sup>	325	327			
Prosper Marketplace Issuance Trust 2017-2A, B 144A 3.480%, 9/15/23 <sup>(3)</sup>	340	341			
TGIF Funding LLC 2017-1A, A2 144A 6.202%, 4/30/47 <sup>(3)</sup>	262	267			
		2,171			
<b>Student Loans—0.1%</b>					
Sofi Professional Loan Program LLC 2016-A, A2 144A 2.760%, 12/26/36 <sup>(3)</sup>	160	160			
<b>TOTAL ASSET-BACKED SECURITIES (Identified Cost \$6,489)</b>		<b>6,517</b>			
<b>CORPORATE BONDS AND NOTES—53.7%</b>					
<b>Consumer Discretionary—5.0%</b>					
Beacon Escrow Corp. 144A 4.875%, 11/1/25 <sup>(3)</sup>	170	171			
Beazer Homes USA, Inc. 144A 5.875%, 10/15/27 <sup>(3)</sup>	215	217			
Cablevision Systems Corp. 5.875%, 9/15/22	290	286			
CalAtlantic Group, Inc. 5.000%, 6/15/27	215	223			
Charter Communications Operating LLC 4.908%, 7/23/25	340	361			
Clear Channel Worldwide Holdings, Inc. Series A 7.625%, 3/15/20	250	245			
CRC Escrow Issuer LLC 144A 5.250%, 10/15/25 <sup>(3)</sup>	255	258			
Discovery Communications LLC 3.950%, 3/20/28	325	323			
DISH DBS Corp. 7.750%, 7/1/26	135	142			
Eldorado Resorts, Inc. 6.000%, 4/1/25	145	152			
Gateway Casinos & Entertainment Ltd. 144A 8.250%, 3/1/24 <sup>(3)</sup>	250	267			
Goodyear Tire & Rubber Co. (The) 4.875%, 3/15/27	110	113			
Horton (D.R.), Inc. 4.750%, 2/15/23	260	278			
L Brands, Inc. 6.875%, 11/1/35	162	164			
Laureate Education, Inc. 144A 8.250%, 5/1/25 <sup>(3)</sup>	55	58			
Lear Corp. 3.800%, 9/15/27	405	405			
Lennar Corp. 144A 4.750%, 11/29/27 <sup>(3)</sup>	335	345			
M/I Homes, Inc. 5.625%, 8/1/25	220	223			
McGraw-Hill Global Education Holdings LLC 144A 7.875%, 5/15/24 <sup>(3)</sup>	210	207			
<b>Consumer Discretionary—continued</b>					
MDC Holdings, Inc. 5.500%, 1/15/24	\$ 295	\$ 311			
PetSmart, Inc. 144A 8.875%, 6/1/25 <sup>(3)</sup>	150	90			
Scientific Games International, Inc. 144A 5.000%, 10/15/25 <sup>(3)</sup>	205	205			
SFR Group S.A. 144A 7.375%, 5/1/26 <sup>(3)</sup>	200	206			
Station Casinos LLC 144A 5.000%, 10/1/25 <sup>(3)</sup>	70	70			
TRI Pointe Group, Inc. 5.875%, 6/15/24	270	288			
Viking Cruises Ltd. 144A 5.875%, 9/15/27 <sup>(3)</sup>	270	275			
Vista Outdoor, Inc. 5.875%, 10/1/23	275	264			
Weekley Homes LLC 144A 6.625%, 8/15/25 <sup>(3)</sup>	270	269			
Wyndham Worldwide Corp. 4.500%, 4/1/27	325	330			
		6,746			
<b>Consumer Staples—1.2%</b>					
Albertsons's Cos LLC 5.750%, 3/15/25	155	140			
Anheuser-Busch InBev Finance, Inc. 3.650%, 2/1/26	210	217			
BAT Capital Corp. 144A 3.557%, 8/15/27 <sup>(3)</sup>	275	275			
Cumberland Farms, Inc. 144A 6.750%, 5/1/25 <sup>(3)</sup>	125	133			
Kronos Acquisition Holdings, Inc. 144A 9.000%, 8/15/23 <sup>(3)</sup>	140	131			
MARB BondCo plc 144A 7.000%, 3/15/24 <sup>(3)</sup>	260	261			
Post Holdings, Inc. 144A 5.625%, 1/15/28 <sup>(3)</sup>	40	40			
Rite Aid Corp. 144A 6.125%, 4/1/23 <sup>(3)</sup>	245	221			
Tops Holding LLC 144A 8.000%, 6/15/22 <sup>(3)</sup>	250	135			
		1,553			
<b>Energy—11.1%</b>					
Alliance Resource Operating Partners LP 144A 7.500%, 5/1/25 <sup>(3)</sup>	193	205			
Alta Mesa Holdings LP 7.875%, 12/15/24	160	175			
American Midstream Partners LP 144A 8.500%, 12/15/21 <sup>(3)</sup>	130	134			
Anadarko Finance Co. Series B 7.500%, 5/1/31	160	205			
Anadarko Petroleum Corp. 6.600%, 3/15/46	200	257			
Antero Resources Corp. 5.625%, 6/1/23	125	130			
Blue Racer Midstream LLC 144A 6.125%, 11/15/22 <sup>(3)</sup>	125	130			
Callon Petroleum Co. 6.125%, 10/1/24	235	242			
Cheniere Corpus Christi Holdings LLC 7.000%, 6/30/24	260	296			

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Energy—continued</b>			<b>Energy—continued</b>		
Chesapeake Energy Corp. 144A 8.000%, 6/15/27 <sup>(3)</sup>	\$ 270	\$ 259	QEP Resources, Inc. 5.625%, 3/1/26	\$ 35	\$ 35
Compagnie Generale de Geophysique-Veritas SA 6.500%, 6/1/21 <sup>(10)</sup>	375	172	RSP Permian, Inc. 5.250%, 1/15/25	275	282
Continental Resources, Inc. 4.500%, 4/15/23	145	148	SESI LLC 144A 7.750%, 9/15/24 <sup>(3)</sup>	210	223
Crownrock LP 144A 5.625%, 10/15/25 <sup>(3)</sup>	285	286	Seven Generations Energy Ltd. 144A 5.375%, 9/30/25 <sup>(3)</sup>	270	273
Denbury Resources, Inc. 5.500%, 5/1/22	150	103	Southern Gas Corridor CJSC 144A 6.875%, 3/24/26 <sup>(3)</sup>	265	301
Ecopetrol S.A. 5.875%, 9/18/23	285	315	SRC Energy, Inc. 144A 6.250%, 12/1/25 <sup>(3)</sup>	155	158
5.375%, 6/26/26	725	783	State Oil Co. of the Azerbaijan Republic 6.950%, 3/18/30	320	355
Encana Corp. 8.125%, 9/15/30	155	209	TerraForm Power Operating LLC 144A 5.000%, 1/31/28 <sup>(3)</sup>	230	228
Energy Transfer Equity LP 5.000%, 10/1/22	425	453	Transocean, Inc. 144A, 9.000%, 7/15/23 <sup>(3)</sup>	95	103
4.250%, 3/15/23	150	149	6.800%, 3/15/38	85	68
EP Energy LLC 6.375%, 6/15/23	155	84	Ultra Resources, Inc. 144A, 6.875%, 4/15/22 <sup>(3)</sup>	16	16
144A, 8.000%, 11/29/24 <sup>(3)</sup>	180	186	144A, 7.125%, 4/15/25 <sup>(3)</sup>	51	51
FTS International, Inc. 6.250%, 5/1/22	175	169	Vine Oil & Gas LP 144A 8.750%, 4/15/23 <sup>(3)</sup>	205	199
Gazprom OAO 144A 4.950%, 2/6/28 <sup>(3)(7)</sup>	205	213	Weatherford International Ltd. 9.875%, 2/15/24	80	85
Geopark Ltd. 144A 6.500%, 9/21/24 <sup>(3)</sup>	270	277	Whiting Petroleum Corp. 144A 6.625%, 1/15/26 <sup>(3)</sup>	110	112
Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	220	232	YPF S.A. 144A, 8.500%, 3/23/21 <sup>(3)</sup>	138	156
HollyFrontier Corp. 5.875%, 4/1/26	360	400	144A, 8.750%, 4/4/24 <sup>(3)</sup>	45	52
KazMunayGas National Co JSC 144A 4.750%, 4/19/27 <sup>(3)</sup>	395	416	144A, 6.950%, 7/21/27 <sup>(3)</sup>	295	313
Kinder Morgan, Inc. 7.750%, 1/15/32	400	516	<u>15,024</u>		
MEG Energy Corp. 144A 6.500%, 1/15/25 <sup>(3)</sup>	190	188	<b>Financials—14.6%</b>		
Nabors Industries, Inc. 5.500%, 1/15/23	135	131	Acrisure LLC 144A 7.000%, 11/15/25 <sup>(3)</sup>	325	313
NGL Energy Partners LP 5.125%, 7/15/19	335	341	AerCap Ireland Capital Ltd. 3.950%, 2/1/22	150	155
NuStar Logistics LP 5.625%, 4/28/27	115	117	3.650%, 7/21/27	310	307
Oasis Petroleum, Inc. 6.875%, 1/15/23	265	271	Akbank TAS 144A 7.500%, 2/5/18 <sup>(3)</sup>	935 <sup>TRY</sup>	245
Odebrecht Offshore Drilling Finance Ltd. 6.720%, 12/1/22	132	126	Allstate Corp. (The) 5.750%, 8/15/53 <sup>(6)</sup>	365	398
7.720%, 12/1/26	363	73	Apollo Management Holdings LP 144A 4.000%, 5/30/24 <sup>(3)</sup>	440	450
Odebrecht Oil & Gas Finance Ltd. 0.000% <sup>(3)</sup>	60	2	Ares Capital Corp. 3.625%, 1/19/22	210	211
Parker Drilling Co. 7.500%, 8/1/20	365	332	3.500%, 2/10/23	205	202
Peabody Energy Corp. 144A 6.375%, 3/31/25 <sup>(3)</sup>	195	203	Australia & New Zealand Banking Group Ltd. 144A 4.400%, 5/19/26 <sup>(3)</sup>	335	348
Pertamina Persero PT 144A 5.625%, 5/20/43 <sup>(3)</sup>	370	402	Aviation Capital Group LLC 144A 3.500%, 11/1/27 <sup>(3)</sup>	155	152
Petrobras Global Finance BV 144A, 5.299%, 1/27/25 <sup>(3)</sup>	364	365	Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A 6.500%, 3/10/21 <sup>(3)</sup>	425	463
7.375%, 1/17/27	660	727	Banco de Bogota S.A. 144A 6.250%, 5/12/26 <sup>(3)</sup>	330	356
144A, 5.999%, 1/27/28 <sup>(3)</sup>	180	180	Banco de Credito del Peru 144A 6.125%, 4/24/27 <sup>(3)</sup>	520	571
Petroleos de Venezuela S.A. 144A 6.000%, 5/16/24 <sup>(3)(18)</sup>	650	146	Banco de Credito e Inversiones 144A 3.500%, 10/12/27 <sup>(3)</sup>	415	405
Petroleos Mexicanos 6.875%, 8/4/26	755	856	Banco Internacional del Peru SAA Interbank 144A 6.625%, 3/19/29 <sup>(3)</sup>	155	175
6.500%, 6/2/41	220	226			
5.500%, 6/27/44	200	184			

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Financials—continued</b>			<b>Financials—continued</b>		
Banco Santander Chile 144A 3.875%, 9/20/22 <sup>(3)</sup>	\$ 505	\$ 525	Powszechna Kasa Oszczednosci Bank Polski S.A. 144A 4.630%, 9/26/22 <sup>(3)(7)</sup>	\$ 610	\$ 652
Bancolumbia S.A. 5.125%, 9/11/22	545	570	Prudential Financial, Inc. 5.875%, 9/15/42	405	442
Bank of America Corp. 4.200%, 8/26/24	458	482	Santander Holdings USA, Inc. 144A, 3.700%, 3/28/22 <sup>(3)</sup>	195	197
Bank of China Ltd. 144A 5.000%, 11/13/24 <sup>(3)</sup>	390	416	144A, 4.400%, 7/13/27 <sup>(3)</sup>	200	205
Bank of Montreal 3.803%, 12/15/32	71	70	Sberbank of Russia 144A 5.500%, 2/26/24 <sup>(3)(7)</sup>	315	320
Bonos del Banco Central de Chile En Pesos 4.500%, 6/1/20	70,000 <sup>CLP</sup>	117	Springleaf Finance Corp. 6.125%, 5/15/22	265	275
Brighthouse Financial, Inc. 144A 3.700%, 6/22/27 <sup>(3)</sup>	215	211	Synchrony Financial 3.950%, 12/1/27	295	294
Capital One Financial Corp. 3.750%, 7/28/26	405	403	TC Ziraat Bankasi AS 144A 5.125%, 5/3/22 <sup>(3)</sup>	335	332
Compass Bank 3.875%, 4/10/25	380	381	Teachers Insurance & Annuity Association of America 144A 4.375%, 9/15/54 <sup>(3)</sup>	360	365
Development Bank of Kazakhstan JSC 144A 4.125%, 12/10/22 <sup>(3)</sup>	535	550	Toronto-Dominion Bank (The) 3.625%, 9/15/31	135	135
Drawbridge Special Opportunities Fund LP 144A 5.000%, 8/1/21 <sup>(3)</sup>	440	454	Turkiye Vakiflar Bankasi TAO 144A 5.625%, 5/30/22 <sup>(3)</sup>	405	404
Eurasian Development Bank 144A 4.767%, 9/20/22 <sup>(3)</sup>	475	503	VICI Properties 1 LLC, (3 month LIBOR + 3.500%) 4.847%, 10/15/22 <sup>(2)</sup>	2	2
FS Investment Corp. 4.250%, 1/15/20	230	234	Voya Financial, Inc. 5.650%, 5/15/53	290	309
4.750%, 5/15/22	50	51	Wells Fargo & Co. Series S 5.900%, 8/15/27	475	508
GrupoSura Finance S.A. 144A 5.500%, 4/29/26 <sup>(3)</sup>	335	363	<hr/>	<hr/>	<hr/>
HBOS plc 144A 6.750%, 5/21/18 <sup>(3)</sup>	200	203		19,670	
Huntington National Bank (The) 6.600%, 6/15/18	250	253	<b>Health Care—3.4%</b>		
ICAHN Enterprises LP 144A 6.375%, 12/15/25 <sup>(3)</sup>	335	335	Abbott Laboratories 3.750%, 11/30/26	405	416
ING Groep N.V. 6.000% <sup>(3)(6)</sup>	275	285	Anthem, Inc. 3.650%, 12/1/27	90	92
iStar, Inc. 6.000%, 4/1/22	110	114	Avantor, Inc. 144A 6.000%, 10/1/24 <sup>(3)</sup>	125	125
5.250%, 9/15/22	155	156	Becton Dickinson & Co. 3.700%, 6/6/27	420	423
Jefferies Group LLC 5.125%, 1/20/23	165	179	Catalent Pharma Solutions, Inc. 144A 4.875%, 1/15/26 <sup>(3)</sup>	25	25
4.850%, 1/15/27	60	64	Community Health Systems, Inc. 6.250%, 3/31/23	80	72
JPMorgan Chase & Co. 2.950%, 10/1/26	475	466	Concordia International Corp. 144A 9.000%, 4/1/22 <sup>(3)</sup>	65	56
Kazakhstan Temir Zholy Finance BV 144A 6.950%, 7/10/42 <sup>(3)</sup>	410	480	DJO Finco, Inc. 144A 8.125%, 6/15/21 <sup>(3)</sup>	135	126
Kazakhstan Temir Zholy National Co. JSC 144A 4.850%, 11/17/27 <sup>(3)</sup>	435	453	Eagle Holding Co. II, LLC PIK Interest Capitalization, 144A 7.625%, 5/15/22 <sup>(3)(15)</sup>	150	153
Leucadia National Corp. 5.500%, 10/18/23	250	269	Endo Dac 144A, 6.000%, 7/15/23 <sup>(3)</sup>	100	79
Liberty Mutual Insurance Co. 144A 8.500%, 5/15/25 <sup>(3)</sup>	25	32	144A, 6.000%, 2/1/25 <sup>(3)</sup>	190	147
Lincoln National Corp., (3 month LIBOR + 2.040%) 3.403%, 4/20/67 <sup>(2)(6)</sup>	365	334	Envision Healthcare Corp. 144A 6.250%, 12/1/24 <sup>(3)</sup>	60	62
Lloyds Bank plc 144A 6.500%, 9/14/20 <sup>(3)</sup>	600	656	HCA, Inc. 5.250%, 6/15/26	130	138
Navient Corp. 6.750%, 6/25/25	215	221	MPH Acquisition Holdings LLC 144A 7.125%, 6/1/24 <sup>(3)</sup>	205	218
Nuveen Finance LLC 144A 4.125%, 11/1/24 <sup>(3)</sup>	350	369	Mylan NV 3.950%, 6/15/26	335	338
OM Asset Management plc 4.800%, 7/27/26	270	280	Owens & Minor, Inc. 3.875%, 9/15/21	75	76
			Polaris Intermediate Corp. PIK Interest Capitalization, 144A 8.500%, 12/1/22 <sup>(3)(15)</sup>	30	31

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Health Care—continued</b>			<b>Industrials—continued</b>		
SP Finco LLC 144A			Wrangler Buyer Corp. 144A		
6.750%, 7/1/25 <sup>(3)</sup>	\$ 50	\$ 47	6.000%, 10/1/25 <sup>(3)</sup>	\$ 208	\$ 214
Surgery Center Holdings, Inc. 144A					4,809
8.875%, 4/15/21 <sup>(3)</sup>	265	274	<b>Information Technology—2.4%</b>		
Teleflex Inc.			Arrow Electronics, Inc.		
4.625%, 11/15/27	120	121	3.875%, 1/12/28	340	339
Tenet Healthcare Corp.			Blackboard, Inc. 144A		
8.125%, 4/1/22	60	61	9.750%, 10/15/21 <sup>(3)</sup>	155	141
144A, 4.625%, 7/15/24 <sup>(3)</sup>	70	68	Broadcom Corp.		
144A, 5.125%, 5/1/25 <sup>(3)</sup>	65	63	144A, 3.000%, 1/15/22 <sup>(3)</sup>	105	104
144A, 7.000%, 8/1/25 <sup>(3)</sup>	220	207	144A, 3.625%, 1/15/24 <sup>(3)</sup>	260	259
Valeant Pharmaceuticals International, Inc.			Citrix Systems, Inc.		
144A, 7.500%, 7/15/21 <sup>(3)</sup>	50	51	4.500%, 12/1/27	320	325
144A, 6.500%, 3/15/22 <sup>(3)</sup>	20	21	Dell International LLC		
144A, 5.875%, 5/15/23 <sup>(3)</sup>	300	278	144A, 5.450%, 6/15/23 <sup>(3)</sup>	70	76
144A, 7.000%, 3/15/24 <sup>(3)</sup>	30	32	144A, 8.100%, 7/15/36 <sup>(3)</sup>	140	177
144A, 5.500%, 11/1/25 <sup>(3)</sup>	200	203	Everi Payments, Inc. 144A		
144A, 9.000%, 12/15/25 <sup>(3)</sup>	35	36	7.500%, 12/15/25 <sup>(3)</sup>	65	64
West Street Merger Sub, Inc. 144A			Flex Ltd.		
6.375%, 9/1/25 <sup>(3)</sup>	165	165	4.750%, 6/15/25	375	401
Zimmer Biomet Holdings, Inc.			Match Group, Inc. 144A		
3.550%, 4/1/25	405	405	5.000%, 12/15/27 <sup>(3)</sup>	160	162
		4,609	RackSpace Hosting, Inc. 144A		
			8.625%, 11/15/24 <sup>(3)</sup>	265	283
<b>Industrials—3.6%</b>			Radiate Holdco LLC 144A		
Alfa SAB de CV 144A			6.625%, 2/15/25 <sup>(3)</sup>	260	246
5.250%, 3/25/24 <sup>(3)</sup>	320	338	ViaSat, Inc. 144A		
Ashtead Capital, Inc. 144A			5.625%, 9/15/25 <sup>(3)</sup>	270	272
4.375%, 8/15/27 <sup>(3)</sup>	340	345	VMware, Inc.		
Bombardier, Inc. 144A			2.950%, 8/21/22	217	216
6.125%, 1/15/23 <sup>(3)</sup>	280	274	3.900%, 8/21/27	230	232
CNH Industrial N.V.					3,297
4.500%, 8/15/23	280	291	<b>Materials—5.8%</b>		
3.850%, 11/15/27	180	180	AK Steel Corp.		
DP World Ltd. 144A			7.500%, 7/15/23	130	141
6.850%, 7/2/37 <sup>(3)</sup>	200	246	7.000%, 3/15/27	195	198
Embraer Netherlands Finance BV			Alpek SAB de C.V. 144A		
5.400%, 2/1/27	150	162	5.375%, 8/8/23 <sup>(3)</sup>	425	449
GrafTech International Ltd.			Anglo American Capital plc 144A		
6.375%, 11/15/20	280	279	4.000%, 9/11/27 <sup>(3)</sup>	435	432
JBS Investments GmbH 144A			BHP Billiton Finance USA Ltd. 144A		
7.250%, 4/3/24 <sup>(3)</sup>	285	280	6.750%, 10/19/75 <sup>(3)(6)</sup>	225	263
JSL Europe S.A. 144A			BlueScope Steel Finance Ltd. 144A		
7.750%, 7/26/24 <sup>(3)</sup>	285	302	6.500%, 5/15/21 <sup>(3)</sup>	150	156
Masco Corp.			CRH America Finance, Inc. 144A		
5.950%, 3/15/22	296	328	3.400%, 5/9/27 <sup>(3)</sup>	300	300
Navistar International Corp. 144A			Equate Petrochemical BV 144A		
6.625%, 11/1/25 <sup>(3)</sup>	270	282	4.250%, 11/3/26 <sup>(3)</sup>	340	346
New Enterprise Stone & Lime Co., Inc. 144A			Fibria Overseas Finance Ltd.		
10.125%, 4/1/22 <sup>(3)</sup>	20	22	4.000%, 1/14/25	350	347
Owens Corning			FMG Resources August 2006 Pty Ltd. 144A		
3.400%, 8/15/26	330	324	9.750%, 3/1/22 <sup>(3)</sup>	130	144
Pitney Bowes, Inc.			Gerdau Holdings, Inc. 144A		
4.125%, 5/15/22	391	359	7.000%, 1/20/20 <sup>(3)</sup>	210	225
Prime Security Services Borrower LLC 144A			Glencore Funding LLC 144A		
9.250%, 5/15/23 <sup>(3)</sup>	130	144	4.000%, 3/27/27 <sup>(3)</sup>	390	391
Standard Industries, Inc.			INEOS Group Holdings S.A. 144A		
144A, 5.500%, 2/15/23 <sup>(3)</sup>	65	68	5.625%, 8/1/24 <sup>(3)</sup>	345	360
144A, 4.750%, 1/15/28 <sup>(3)</sup>	130	130	Inversiones CMPC S.A. 144A		
TransDigm, Inc.			4.375%, 5/15/23 <sup>(3)</sup>	300	314
6.500%, 7/15/24	145	149			
6.500%, 5/15/25	90	92			

Refer to Footnote Legend on page 50.

See Notes to Financial Statements



**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Materials—continued</b>			<b>Telecommunication Services—continued</b>		
James Hardie International Finance DAC 144A 5.000%, 1/15/28 <sup>(3)</sup>	\$ 265	\$ 267		\$ 195	\$ 199
Kraton Polymers LLC 144A 7.000%, 4/15/25 <sup>(3)</sup>	390	417		295	297
Mercer International, Inc. 144A 5.500%, 1/15/26 <sup>(3)</sup>	65	66		65	69
NOVA Chemicals Corp. 144A, 4.875%, 6/1/24 <sup>(3)</sup>	130	130		265	262
144A, 5.000%, 5/1/25 <sup>(3)</sup>	300	299		135	147
OCP SA 144A 5.625%, 4/25/24 <sup>(3)</sup>	320	343	Axtel SAB de C.V. 144A 6.375%, 11/14/24 <sup>(3)</sup>	270	278
Platform Specialty Products Corp. 144A 5.875%, 12/1/25 <sup>(3)</sup>	220	218	Crown Castle Towers LLC 144A 6.113%, 1/15/20 <sup>(3)</sup>	100	105
PQ Corp. 144A 5.750%, 12/15/25 <sup>(3)</sup>	90	92	Digicel Group Ltd. 144A 8.250%, 9/30/20 <sup>(3)</sup>	345	339
Reynolds Group Issuer, Inc. 144A 7.000%, 7/15/24 <sup>(3)</sup>	185	198	Frontier Communications Corp. 6.250%, 9/15/21	135	96
Rusal Capital DAC 144A 5.125%, 2/2/22 <sup>(3)</sup>	325	332	10.500%, 9/15/22	135	102
Severstal OAO 144A 5.900%, 10/17/22 <sup>(3)(7)</sup>	260	288	GTH Finance BV 144A 7.250%, 4/26/23 <sup>(3)</sup>	300	337
Standard Industries, Inc. 144A 6.000%, 10/15/25 <sup>(3)</sup>	175	187	Level 3 Financing, Inc. 5.375%, 1/15/24	265	265
Vale Overseas Ltd. 5.875%, 6/10/21	205	223	Qwest Corp. 7.250%, 9/15/25	185	198
6.250%, 8/10/26	135	156	Sprint Spectrum Co., LLC 144A 3.360%, 9/20/21 <sup>(3)</sup>	188	189
Vedanta Resources plc 144A 6.125%, 8/9/24 <sup>(3)</sup>	215	219	Telenet Finance Luxembourg Notes S.a.r.l. 144A 5.500%, 3/1/28 <sup>(3)</sup>	200	200
Yamana Gold, Inc. 144A 4.625%, 12/15/27 <sup>(3)</sup>	350	352	Verizon Communications, Inc. 4.125%, 3/16/27	395	412
		7,853	West Corp. 144A 8.500%, 10/15/25 <sup>(3)</sup>	80	79
			Windstream Services LLC 144A 8.625%, 10/31/25 <sup>(3)</sup>	140	135
				4,017	4,017
<b>Real Estate—2.0%</b>			<b>Utilities—1.6%</b>		
EPR Properties 4.750%, 12/15/26	130	133	AmeriGas Partners LP 5.500%, 5/20/25	110	111
4.500%, 6/1/27	205	206	Dynegy, Inc. 7.375%, 11/1/22	225	238
Greystar Real Estate Partners LLC 144A 5.750%, 12/1/25 <sup>(3)</sup>	140	144	Eskom Holdings SOC Ltd. 144A 7.125%, 2/11/25 <sup>(3)</sup>	250	255
Healthcare Trust of America Holdings LP 3.750%, 7/1/27	180	179	Exelon Corp. 3.497%, 6/1/22	540	550
Hospitality Properties Trust 4.950%, 2/15/27	195	206	Ferrellgas Partners LP 8.625%, 6/15/20	50	43
LifeStorage LP 3.875%, 12/15/27	135	135	6.750%, 6/15/23	270	248
MPT Operating Partnership LP 5.500%, 5/1/24	165	171	Lamar Funding Ltd. 144A 3.958%, 5/7/25 <sup>(3)</sup>	375	346
5.000%, 10/15/27	155	158	Majapahit Holding BV 144A 7.750%, 1/20/20 <sup>(3)</sup>	300	328
Physicians Realty LP 4.300%, 3/15/27	330	336	Texas Competitive Electric Escrow Series A 10.250%, 11/1/36 <sup>(10)(16)</sup>	396	— <sup>(14)</sup>
Select Income REIT 4.500%, 2/1/25	385	388	Vistra Operations Co. LLC 144A 11.500%, 10/1/20 <sup>(3)(10)(16)</sup>	465	— <sup>(14)</sup>
Uniti Group, Inc. 144A 7.125%, 12/15/24 <sup>(3)</sup>	325	296		2,119	
WP Carey, Inc. 4.600%, 4/1/24	345	360			
		2,712	<b>TOTAL CORPORATE BONDS AND NOTES</b> <b>(Identified Cost \$71,908)</b>		<b>72,409</b>
<b>Telecommunication Services—3.0%</b>			<b>LOAN AGREEMENTS<sup>(2)</sup>—6.8%</b>		
America Movil SAB de C.V. Series 12 6.450%, 12/5/22	2,000 <sup>MMN</sup>	94	<b>Consumer Discretionary—1.6%</b>		
AT&T, Inc. 3.400%, 8/14/24	213	214	Advantage Sales & Marketing, Inc. Tranche B-2, First Lien, (3 month LIBOR + 3.250%) 4.630%, 7/23/21		
			139	136	

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Consumer Discretionary—continued</b>			<b>Energy—continued</b>		
Second Lien, (3 month LIBOR + 6.500%) 7.878%, 7/25/22	\$ 280	\$ 259	Traverse Midstream Partners LLC, (3 month LIBOR + 4.000%) 5.850%, 9/27/24	\$ 110	\$ 111
Affinity Gaming, (3 month LIBOR + 3.500%) 5.193%, 7/1/23	362	363	Ultra Resources, Inc., (3 month LIBOR + 3.000%) 4.413%, 4/12/24	175	175
Gateway Casinos & Entertainment Ltd. Tranche B-1, (3 month LIBOR + 3.750%) 5.443%, 2/22/23	45	45		<u>1,054</u>	
Global Appliance, Inc. Tranche B, (1 month LIBOR + 4.000%) 5.570%, 9/29/24	190	192	<b>Financials—0.3%</b>		
Hoya Midco LLC First Lien, (1 month LIBOR + 4.000%) 5.569%, 6/30/24	85	85	Asurion LLC Tranche B-2, Second Lien, (1 month LIBOR + 6.000%) 7.569%, 8/4/25	30	31
Laureate Education, Inc. 2024, (1 month LIBOR + 4.500%) 6.069%, 7/8/24	151	152	FinCo I LLC, (1 month LIBOR + 2.750%) 4.319%, 12/27/22	80	81
Neiman Marcus Group Inc. (The), (1 month LIBOR + 3.250%) 0.000%, 10/25/20 <sup>(8)</sup>	165	134	Walter Investment Management Corp. Tranche B, (1 month LIBOR + 3.750%) 5.319%, 12/18/20 <sup>(18)</sup>	260	248
Playa Resorts Holding B.V., (3 month LIBOR + 3.000%) 4.620%, 4/29/24	229	230		<u>360</u>	
Seminole Tribe of Florida Tranche B, (1 month LIBOR + 2.000%) 3.569%, 7/8/24	219	220	<b>Health Care—0.4%</b>		
U.S. Farathane LLC Tranche B-4, (3 month LIBOR + 3.500%) 5.193%, 12/23/21	166	167	21st Century Oncology Holdings, Inc. Tranche B, (3 month LIBOR + 6.125%) 7.825%, 4/30/22 <sup>(11)</sup>	42	39
UFC Holdings LLC First Lien, (1 month LIBOR + 3.250%) 4.810%, 8/18/23	175	176	Envision Healthcare Corp., (1 month LIBOR + 3.000%) 4.570%, 12/1/23	37	38
		<u>2,159</u>	HLF Financing S.a.r.l. Senior Lien, (1 month LIBOR + 5.500%) 7.069%, 2/15/23	61	61
<b>Consumer Staples—0.6%</b>			MMM Holdings, Inc., (3 month LIBOR + 8.750%) 10.324%, 6/30/19	91	87
Albertson's LLC 2017-1, Tranche B-4, (1 month LIBOR + 2.750%) 4.319%, 8/25/21	227	222	MSO of Puerto Rico, Inc., (3 month LIBOR + 8.750%) 10.324%, 6/30/19	66	63
Chobani LLC First Lien, (1 month LIBOR + 3.500%) 5.069%, 10/10/23	118	119	NVA Holdings, Inc. Second Lien, (3 month LIBOR + 7.000%) 8.693%, 8/14/22	183	184
Galleria Co. Tranche B, (1 month LIBOR + 3.000%) 4.375%, 9/29/23	100	100	PharMerica Corp. Second Lien, (3 month LIBOR + 7.750%) 9.153%, 9/26/25	20	20
JBS USA Lux S.A., (3 month LIBOR + 2.500%) 4.100%, 10/30/22	89	88	U.S. Renal Care, Inc. First Lien, (3 month LIBOR + 4.250%) 5.943%, 12/30/22	68	67
Parfums Holdings Co., Inc. First Lien, (3 month LIBOR + 4.750%) 6.443%, 6/30/24	144	145	Wink Holdco, Inc. (Superior Vision Holdings, Inc.) First Lien, (3 month LIBOR + 3.000%) 4.490%, 12/2/24	10	10
TKC Holdings, Inc. First Lien, (2 month LIBOR + 4.250%) 5.673%, 2/1/23	174	175		<u>569</u>	
		<u>849</u>	<b>Industrials—0.9%</b>		
<b>Energy—0.8%</b>			84 Lumber Co. Tranche B-1, (1 month LIBOR + 5.250%) 6.802%, 10/25/23	126	127
California Resources Corp., (1 month LIBOR + 10.375%) 11.876%, 12/31/21	190	208	Accudyne Industries LLC, (1 month LIBOR + 3.750%) 5.319%, 8/18/24	35	35
Chesapeake Energy Corp. Tranche A, (3 month LIBOR + 7.500%) 8.954%, 8/23/21	44	47	Navistar, Inc. Tranche B, (1 month LIBOR + 3.500%) 4.900%, 11/6/24	215	215
Contura Energy, Inc., (2 month LIBOR + 5.000%) 6.630%, 3/18/24	131	129	PAE Holding Corp. First Lien, (2 month LIBOR + 5.500%) 7.124%, 10/20/22	117	118
Medallion Midland Acquisition LLC, (1 month LIBOR + 3.250%) 4.819%, 10/30/24	190	190	Red Ventures LLC First Lien, (1 month LIBOR + 4.000%) 5.569%, 11/8/24	204	204
Paragon Offshore Finance Co., (3 month LIBOR + 2.750%) 0.000%, 7/16/21 <sup>(8)(10)(16)</sup>	2	—	Sedgwick Claims Management Services, Inc. Second Lien, (3 month LIBOR + 5.750%) 7.229%, 2/28/22	340	342
Seadrill Operating LP, (3 month LIBOR + 3.000%) 4.693%, 2/21/21	241	194	TransDigm, Inc. Tranche F, (3 month LIBOR + 2.750%) 4.381%, 6/9/23	203	204

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Industrials—continued</b>		
TransDigm, Inc. Tranche G, (3 month LIBOR + 3.000%) 4.652%, 8/22/24	\$ 30	\$ 30
		<u>1,275</u>
<b>Information Technology—0.4%</b>		
Applied Systems, Inc. Second Lien, (3 month LIBOR + 7.000%) 8.693%, 9/19/25	25	26
Blackboard, Inc. Tranche B-4, First Lien, (3 month LIBOR + 5.000%) 6.354%, 6/30/21	68	67
Everi Payments, Inc. Tranche B, (3 month LIBOR + 3.500%) 4.979%, 5/9/24	65	65
Kronos, Inc. Second Lien, (3 month LIBOR + 8.250%) 9.627%, 11/1/24	84	87
NAB Holdings LLC, (1 month LIBOR + 3.250%) 4.819%, 7/1/24	100	100
Presidio LLC Tranche B, (3 month PRIME + 2.250%) 5.668%, 2/2/22	159	159
Veritas US, Inc. Tranche B, (3 month LIBOR + 4.500%) 6.193%, 1/27/23	54	54
		<u>558</u>
<b>Materials—0.7%</b>		
Anchor Glass Container Corp. Second Lien, (1 month LIBOR + 7.750%) 9.182%, 12/7/24	58	59
CPG International LLC, (3 month LIBOR + 3.750%) 5.593%, 5/5/24	194	194
CPI Acquisition, Inc. First Lien, (3 month LIBOR + 4.500%) 5.962%, 8/17/22	358	258
IPS Acquisition LLC First Lien, (1 month LIBOR + 3.250%) 4.819%, 11/7/24	35	35
KMG Chemicals, Inc., (1 month LIBOR + 2.750%) 4.319%, 6/15/24	29	29
New Arclin U.S. Holding Corp. First Lien, (3 month LIBOR + 4.250%) 5.943%, 2/14/24	129	130
Omnova Solutions, Inc. Tranche B-2, (1 month LIBOR + 4.250%) 5.819%, 8/25/23	173	174
		<u>879</u>
<b>Real Estate—0.1%</b>		
Capital Automotive LP Tranche B, Second Lien, (1 month LIBOR + 6.000%) 7.570%, 3/24/25	64	65
<b>Telecommunication Services—0.4%</b>		
CenturyLink, Inc. Tranche B, (3 month PRIME + 1.750%) 0.000%, 1/31/25 <sup>(9)</sup>	140	135
Digicel International Finance Ltd. Tranche-B, First Lien, (1 month LIBOR + 3.750%) 5.310%, 5/27/24	20	20
Securus Technologies Holdings, Inc. First Lien, (2 month LIBOR + 4.500%) 6.124%, 11/1/24	180	182
Second Lien, (2 month LIBOR + 8.250%) 9.874%, 11/1/25	150	151
West Corp. Tranche B, (1 month LIBOR + 4.000%) 5.350%, 10/10/24	84	84
		<u>572</u>

	PAR VALUE	VALUE
<b>Utilities—0.6%</b>		
APLP Holdings LP, (1 month LIBOR + 3.500%) 5.069%, 4/13/23	\$ 258	\$ 262
Energy Future Intermediate Holding Co. LLC, (1 month LIBOR + 3.000%) 4.546%, 6/30/18	240	240
Talen Energy Supply LLC, (1 month LIBOR + 4.000%) 5.569%, 4/15/24	124	125
Vistra Operations Co. LLC Tranche C, (1 month LIBOR + 2.500%) 3.834%, 8/4/23	26	26
(1 month LIBOR + 2.750%) 3.951%, 8/4/23	149	149
		<u>802</u>
<b>TOTAL LOAN AGREEMENTS (Identified Cost \$9,215)</b>		
		<b>9,142</b>
<b>SHARES</b>		
<b>PREFERRED STOCKS—2.5%</b>		
<b>Financials—1.9%</b>		
Bank of New York Mellon Corp. (The) Series E, 4.950%	290 <sup>(9)</sup>	300
Citigroup, Inc. Series J, 7.125%	15,800	456
JPMorgan Chase & Co. Series Z, 5.300%	70 <sup>(9)</sup>	73
KeyCorp Series D, 5.000%	640 <sup>(9)</sup>	659
M&T Bank Corp. Series F, 5.125%	160 <sup>(9)</sup>	171
PNC Financial Services Group, Inc. (The) Series R, 4.850%	405 <sup>(9)</sup>	413
PNC Financial Services Group, Inc. (The) Series S, 5.000%	405 <sup>(9)</sup>	428
		<u>2,500</u>
<b>Industrials—0.6%</b>		
General Electric Co. Series D, 5.000%	792 <sup>(9)</sup>	816
<b>TOTAL PREFERRED STOCKS (Identified Cost \$3,113)</b>		
		<b>3,316</b>
<b>COMMON STOCKS—0.2%</b>		
<b>Consumer Discretionary—0.0%</b>		
Mark IV Industries <sup>(1)(17)</sup>	828	26
<b>Energy—0.0%</b>		
Frontera Energy Corp. <sup>(1)</sup>	1,339	42
<b>Financials—0.1%</b>		
VICI Properties, Inc. <sup>(1)</sup>	4,879	100
<b>Utilities—0.1%</b>		
Vistra Energy Corp. <sup>(1)</sup>	7,753	142
<b>TOTAL COMMON STOCKS (Identified Cost \$267)</b>		
		<b>310</b>

Refer to Footnote Legend on page 50.

See Notes to Financial Statements

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>AFFILIATED MUTUAL FUND<sup>(13)</sup>—2.2%</b>		
Virtus Newfleet Credit Opportunities Fund Class R6	310,156	\$ 3,002
<b>TOTAL AFFILIATED MUTUAL FUND (Identified Cost \$3,100)</b>		<b>3,002</b>
<b>RIGHTS—0.0%</b>		
<b>Utilities—0.0%</b>		
Vistra Energy Corp. <sup>(17)</sup>	7,753	7
<b>TOTAL RIGHTS (Identified Cost \$7)</b>		<b>7</b>
<b>TOTAL LONG TERM INVESTMENTS—98.3%</b>		
<b>(Identified Cost \$132,387)</b>		<b>132,510<sup>(12)</sup></b>
<b>SHORT-TERM INVESTMENT<sup>(13)</sup>—0.7%</b>		
<b>Money Market Mutual Fund—0.7%</b>		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%)	963,170	963
<b>TOTAL SHORT-TERM INVESTMENT (Identified Cost \$963)</b>		<b>963</b>
<b>TOTAL INVESTMENTS—99.0%</b>		
<b>(Identified Cost \$133,350)</b>		<b>133,473</b>
Other assets and liabilities, net—1.0%		1,335
<b>NET ASSETS—100.0%</b>		<b>\$134,808</b>

**Abbreviations:**

FNMA Federal National Mortgage Association (“Fannie Mae”)  
LIBOR London Interbank Offered Rate  
PIK Payment-in-Kind Security  
REIT Real Estate Investment Trust

**Footnote Legend:**

- <sup>(1)</sup> Non-income producing.
- <sup>(2)</sup> Variable rate security. Rate disclosed is as of December 31, 2017. For loan agreements, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- <sup>(3)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$58,095 or 43.1% of net assets.
- <sup>(4)</sup> 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.
- <sup>(5)</sup> No contractual maturity date.
- <sup>(6)</sup> Interest payments may be deferred.
- <sup>(7)</sup> This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- <sup>(8)</sup> This loan will settle after December 31, 2017, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- <sup>(9)</sup> Value shown as par value.
- <sup>(10)</sup> Security in default, no interest payments are being received during the bankruptcy proceedings.

<sup>(11)</sup> Security in default, a portion of the interest payments are being received during the bankruptcy proceedings.

<sup>(12)</sup> All or a portion of the Fund’s assets have been segregated for delayed delivery security.

<sup>(13)</sup> Shares of these funds are publicly offered, and the prospectus and annual reports of each are publicly available.

<sup>(14)</sup> Amount is less than \$500.

<sup>(15)</sup> 100% of the income received was in cash.

<sup>(16)</sup> Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.

<sup>(17)</sup> The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located at the end of the Schedule of Investments.

<sup>(18)</sup> Security in default. Interest payments are being received during the bankruptcy proceedings.

**Foreign Currencies:**

BRL Brazilian Real  
CLP Chilean Peso  
COP Colombian Peso  
IDR Indonesian Rupiah  
MXN Mexican Peso  
RUB Russian Ruble  
TRY Turkish Lira  
ZAR South African Rand

**Country Weightings† (unaudited)**

United States	66%
Mexico	3
Canada	3
Netherlands	3
Argentina	2
Colombia	2
Brazil	2
Other	19
<b>Total</b>	<b>100%</b>

† % of total investments as of December 31, 2017

**VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017  
(See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Debt Securities:</b>				
Asset-Backed Securities	\$ 6,517	\$ —	\$ 6,517	\$—
Corporate Bonds and Notes	72,409	—	72,409	—
Foreign Government Securities	13,820	—	13,820	—
Loan Agreements	9,142	—	9,142	—
Mortgage-Backed Securities	19,614	—	19,614	—
Municipal Bonds	775	—	775	—
U.S. Government Securities	3,598	—	3,598	—
<b>Equity Securities:</b>				
Common Stocks	310	184	100	26
Preferred Stocks	3,316	456	2,860	—
Rights	7	—	—	7
Affiliated Mutual Fund	3,002	3,002	—	—
Short-Term Investment	963	963	—	—
<b>Total Investments</b>	<b>\$133,473</b>	<b>\$4,605</b>	<b>\$128,835</b>	<b>\$33</b>

Security held by the series with an end of period value of \$0 was transferred from Level 2 to Level 3 due to a decrease in trading activities at period end.

There were no other transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimis; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended December 31, 2017.

**VIRTUS RAMPART ENHANCED CORE EQUITY SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
<b>COMMON STOCKS—97.1%</b>			<b>Consumer Discretionary—continued</b>		
<b>Consumer Discretionary—12.4%</b>			Scripps Networks Interactive, Inc. Class A	449	\$ 38
Advance Auto Parts, Inc.	346	\$ 35	Signet Jewelers Ltd.	308	17
Amazon.com, Inc. <sup>(1)(3)</sup>	1,973	2,307	Starbucks Corp. <sup>(3)</sup>	7,145	410
Aptiv plc	1,205	102	Tapestry, Inc.	1,434	63
AutoZone, Inc. <sup>(1)</sup>	139	99	Target Corp. <sup>(3)</sup>	2,703	176
Best Buy Co., Inc.	1,324	91	Tiffany & Co.	505	53
BorgWarner, Inc.	935	48	Time Warner, Inc. <sup>(3)</sup>	3,849	352
CarMax, Inc. <sup>(1)</sup>	906	58	TJX Cos., Inc. (The)	3,149	241
Carnival Corp.	2,019	134	Tractor Supply Co.	602	45
CBS Corp. Class B	1,801	106	TripAdvisor, Inc. <sup>(1)</sup>	517	18
Charter Communications, Inc. Class A <sup>(1)</sup>	995	334	Twenty-First Century Fox, Inc. Class A <sup>(3)</sup>	5,207	180
Chipotle Mexican Grill, Inc. <sup>(1)</sup>	129	37	Twenty-First Century Fox, Inc. Class B <sup>(3)</sup>	2,173	74
Comcast Corp. Class A <sup>(3)</sup>	23,277	932	Ulta Beauty, Inc. <sup>(1)</sup>	297	66
Darden Restaurants, Inc.	641	62	Under Armour, Inc. Class A <sup>(1)</sup>	865	12
Discovery Communications, Inc. Class A <sup>(1)</sup>	721	16	Under Armour, Inc. Class C <sup>(1)</sup>	864	12
Discovery Communications, Inc. Class C <sup>(1)</sup>	988	21	VF Corp.	1,617	120
DISH Network Corp. Class A <sup>(1)</sup>	1,170	56	Viacom, Inc. Class B	1,820	56
Dollar General Corp.	1,289	120	Walt Disney Co. (The) <sup>(3)</sup>	7,638	821
Dollar Tree, Inc. <sup>(1)</sup>	1,173	126	Whirlpool Corp.	361	61
Expedia, Inc.	617	74	Wyndham Worldwide Corp.	490	57
Foot Locker, Inc.	615	29	Wynn Resorts Ltd.	405	68
Ford Motor Co. <sup>(3)</sup>	19,352	242	Yum! Brands, Inc.	1,706	139
Gap, Inc. (The)	1,031	35			<u>13,849</u>
Garmin Ltd.	538	32	<b>Consumer Staples—7.5%</b>		
General Motors Co. <sup>(3)</sup>	6,491	266	Altria Group, Inc. <sup>(3)</sup>	8,592	614
Genuine Parts Co.	726	69	Archer-Daniels-Midland Co.	2,559	103
Goodyear Tire & Rubber Co. (The)	1,180	38	Brown-Forman Corp. Class B	844	58
H&R Block, Inc.	971	25	Campbell Soup Co.	899	43
Hanesbrands, Inc.	1,706	36	Church & Dwight Co., Inc.	1,168	59
Harley-Davidson, Inc.	819	42	Clorox Co. (The)	569	85
Hasbro, Inc.	580	53	Coca-Cola Co. (The) <sup>(3)</sup>	17,191	789
Hilton Worldwide Holdings, Inc.	1,023	82	Colgate-Palmolive Co. <sup>(3)</sup>	3,935	297
Home Depot, Inc. (The) <sup>(3)</sup>	5,833	1,106	Conagra Brands, Inc.	1,894	71
Horton (D.R.), Inc.	1,686	86	Constellation Brands, Inc. Class A	776	177
Interpublic Group of Cos., Inc. (The)	1,851	37	Costco Wholesale Corp. <sup>(3)</sup>	1,964	365
Kohl's Corp.	799	43	Coty, Inc. Class A	2,207	44
L Brands, Inc.	1,235	74	CVS Health Corp. <sup>(3)</sup>	4,549	330
Leggett & Platt, Inc.	620	30	Dr. Pepper Snapple Group, Inc.	806	78
Lennar Corp. Class A	1,034	65	Estee Lauder Cos., Inc. (The) Class A	1,003	128
LKQ Corp. <sup>(1)</sup>	1,573	64	General Mills, Inc.	2,610	155
Lowe's Cos., Inc. <sup>(3)</sup>	4,178	388	Hershey Co. (The)	611	69
Macy's, Inc.	1,427	36	Hormel Foods Corp.	1,264	46
Marriott International, Inc. Class A	1,548	210	J.M. Smucker Co. (The)	498	62
Mattel, Inc.	1,605	25	Kellogg Co.	1,108	75
McDonald's Corp. <sup>(3)</sup>	4,008	690	Kimberly-Clark Corp.	1,563	189
MGM Resorts International	2,568	86	Kraft Heinz Co. (The) <sup>(3)</sup>	2,649	206
Michael Kors Holdings Ltd. <sup>(1)</sup>	730	46	Kroger Co. (The)	4,044	111
Mohawk Industries, Inc. <sup>(1)</sup>	314	87	McCormick & Co., Inc.	531	54
Netflix, Inc. <sup>(1)</sup>	2,136	410	Molson Coors Brewing Co. Class B	805	66
Newell Brands, Inc.	2,423	75	Mondelez International, Inc. Class A <sup>(3)</sup>	6,752	289
News Corp. Class A	1,791	29	Monster Beverage Corp. <sup>(1)</sup>	1,890	120
News Corp. Class B	561	9	PepsiCo, Inc. <sup>(3)</sup>	6,397	767
NIKE, Inc. Class B <sup>(3)</sup>	6,502	407	Philip Morris International, Inc. <sup>(3)</sup>	6,955	735
Nordstrom, Inc.	521	25	Procter & Gamble Co. (The) <sup>(3)</sup>	11,420	1,049
Norwegian Cruise Line Holdings Ltd. <sup>(1)</sup>	904	48	Sysco Corp.	2,213	134
O'Reilly Automotive, Inc. <sup>(1)</sup>	436	105	Tyson Foods, Inc. Class A	1,279	104
Omnicom Group, Inc.	1,141	83	Wal-Mart Stores, Inc. <sup>(3)</sup>	6,555	647
Priceline Group, Inc. (The) <sup>(1)(3)</sup>	243	422	Walgreens Boots Alliance, Inc. <sup>(3)</sup>	3,888	282
PulteGroup, Inc.	1,331	44			<u>8,401</u>
PVH Corp.	366	50	<b>Energy—5.6%</b>		
Ralph Lauren Corp.	258	27	Anadarko Petroleum Corp.	2,509	135
Ross Stores, Inc.	1,925	154			
Royal Caribbean Cruises Ltd.	851	102			

Refer to Footnote Legend on page 56.

See Notes to Financial Statements

**VIRTUS RAMPART ENHANCED CORE EQUITY SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
<b>Energy—continued</b>			<b>Financials—continued</b>		
Andeavor	646	\$ 74	Goldman Sachs Group, Inc. (The) <sup>(3)</sup>	1,784	\$ 454
Apache Corp.	1,706	72	Hartford Financial Services Group, Inc. (The)	1,813	102
Baker Hughes a GE Co.	1,917	61	Huntington Bancshares, Inc.	5,425	79
Cabot Oil & Gas Corp.	2,071	59	Intercontinental Exchange, Inc.	2,929	207
Chesapeake Energy Corp. <sup>(1)</sup>	3,499	14	Invesco Ltd.	2,025	74
Chevron Corp. <sup>(3)</sup>	8,486	1,062	JPMorgan Chase & Co. <sup>(3)</sup>	17,446	1,866
Cimarex Energy Co.	427	52	KeyCorp	5,413	109
Concho Resources, Inc. <sup>(1)(3)</sup>	666	100	Leucadia National Corp.	1,658	44
ConocoPhillips	5,450	299	Lincoln National Corp.	1,103	85
Devon Energy Corp.	2,354	97	Loews Corp.	1,374	69
EOG Resources, Inc.	2,586	279	M&T Bank Corp.	756	129
EQT Corp.	1,070	61	Marsh & McLennan Cos., Inc.	2,551	208
Exxon Mobil Corp. <sup>(3)</sup>	18,976	1,587	MetLife, Inc. <sup>(3)</sup>	5,269	266
Halliburton Co. <sup>(3)</sup>	3,887	190	Moody's Corp.	827	122
Helmerich & Payne, Inc.	486	31	Morgan Stanley <sup>(3)</sup>	7,011	368
Hess Corp.	1,210	57	Nasdaq, Inc.	583	45
Kinder Morgan, Inc. <sup>(3)</sup>	8,598	155	Navient Corp.	1,545	20
Marathon Oil Corp.	3,807	64	Northern Trust Corp.	1,069	107
Marathon Petroleum Corp.	2,267	150	People's United Financial, Inc.	1,763	33
National Oilwell Varco, Inc.	1,702	61	PNC Financial Services Group, Inc. (The)	2,376	343
Newfield Exploration Co. <sup>(1)</sup>	892	28	Principal Financial Group, Inc.	1,337	94
Noble Energy, Inc.	2,179	64	Progressive Corp. (The)	2,896	163
Occidental Petroleum Corp. <sup>(3)</sup>	3,424	252	Prudential Financial, Inc.	2,125	244
ONEOK, Inc.	1,701	91	Raymond James Financial, Inc.	639	57
Phillips 66	1,924	195	Regions Financial Corp.	5,948	103
Pioneer Natural Resources Co.	762	132	S&P Global, Inc.	1,279	217
Range Resources Corp.	1,157	20	State Street Corp.	1,861	182
Schlumberger Ltd. <sup>(3)</sup>	6,222	419	SunTrust Banks, Inc.	2,389	154
TechnipFMC plc	1,967	62	Synchrony Financial	3,721	144
Valero Energy Corp.	1,978	182	T. Rowe Price Group, Inc.	1,196	125
Williams Cos., Inc. (The)	3,702	113	Torchmark Corp.	554	50
		6,218	Travelers Cos., Inc. (The)	1,373	186
			U.S. Bancorp <sup>(3)</sup>	7,878	422
			Unum Group	1,129	62
			Wells Fargo & Co. <sup>(3)</sup>	22,148	1,344
<b>Financials—15.2%</b>			Willis Towers Watson plc	668	101
Affiliated Managers Group, Inc.	282	58	XL Group Ltd.	1,302	46
Aflac, Inc.	1,967	173	Zions Bancorporation	1,027	52
Allstate Corp. (The) <sup>(3)</sup>	1,798	188			16,930
American Express Co. <sup>(3)</sup>	3,637	361			
American International Group, Inc. <sup>(3)</sup>	4,479	267	<b>Health Care—12.7%</b>		
Ameriprise Financial, Inc.	746	126	Abbott Laboratories <sup>(3)</sup>	7,781	444
AON plc	1,266	170	AbbVie, Inc. <sup>(3)</sup>	7,139	690
Assurant, Inc.	284	29	Aetna, Inc.	1,479	267
Bank of America Corp. <sup>(3)</sup>	48,644	1,436	Agilent Technologies, Inc.	1,461	98
Bank of New York Mellon Corp. (The)	5,122	276	Alexion Pharmaceuticals, Inc. <sup>(1)</sup>	1,014	121
BB&T Corp.	4,022	200	Align Technology, Inc. <sup>(1)</sup>	328	73
Berkshire Hathaway, Inc. Class B <sup>(1)(3)</sup>	9,539	1,891	Allergan plc <sup>(3)</sup>	1,489	244
BlackRock, Inc. <sup>(3)</sup>	615	316	AmerisourceBergen Corp.	733	67
Brighthouse Financial, Inc. <sup>(1)(3)</sup>	489	29	Amgen, Inc. <sup>(3)</sup>	3,268	568
Capital One Financial Corp. <sup>(3)</sup>	2,407	240	Anthem, Inc.	1,170	263
Cboe Global Markets, Inc.	561	70	Baxter International, Inc.	2,278	147
Charles Schwab Corp. (The)	5,909	303	Becton, Dickinson & Co.	1,179	252
Chubb Ltd.	2,307	337	Biogen, Inc. <sup>(1)(3)</sup>	945	301
Cincinnati Financial Corp.	743	56	Boston Scientific Corp. <sup>(1)</sup>	6,237	155
Citigroup, Inc. <sup>(3)</sup>	13,507	1,005	Bristol-Myers Squibb Co. <sup>(3)</sup>	7,344	450
Citizens Financial Group, Inc.	2,492	104	Cardinal Health, Inc.	1,438	88
CME Group, Inc.	1,692	247	Celgene Corp. <sup>(1)(3)</sup>	3,504	366
Comerica, Inc.	875	76	Centene Corp. <sup>(1)</sup>	784	79
Discover Financial Services	1,853	142	Cerner Corp. <sup>(1)</sup>	1,432	97
E*TRADE Financial Corp. <sup>(1)</sup>	1,369	68	Cigna Corp.	1,119	227
Everest Re Group Ltd.	209	46	Cooper Cos., Inc. (The)	222	48
Fifth Third Bancorp	3,667	111	Danaher Corp. <sup>(3)</sup>	2,725	253
Franklin Resources, Inc.	1,659	72			
Gallagher (Arthur J.) & Co.	897	57			

Refer to Footnote Legend on page 56.

See Notes to Financial Statements

# VIRTUS RAMPART ENHANCED CORE EQUITY SERIES

## SCHEDULE OF INVESTMENTS (Continued)

DECEMBER 31, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
<b>Health Care—continued</b>				<b>Industrials—continued</b>	
DaVita, Inc. <sup>(1)</sup>	695	\$ 50		FedEx Corp. <sup>(3)</sup>	1,101 \$ 275
DENTSPLY SIRONA, Inc.	1,024	67		Flowserve Corp.	612 26
Edwards Lifesciences Corp. <sup>(1)</sup>	960	108		Fluor Corp.	636 33
Eli Lilly & Co. <sup>(3)</sup>	4,339	366		Fortive Corp.	1,386 100
Envision Healthcare Corp. <sup>(1)</sup>	612	21		Fortune Brands Home & Security, Inc.	700 48
Express Scripts Holding Co. <sup>(1)</sup>	2,552	191		General Dynamics Corp. <sup>(3)</sup>	1,240 252
Gilead Sciences, Inc. <sup>(3)</sup>	5,848	419		General Electric Co. <sup>(3)</sup>	38,773 677
HCA Healthcare, Inc. <sup>(1)</sup>	1,314	115		Harris Corp.	592 84
Henry Schein, Inc. <sup>(1)</sup>	684	48		Honeywell International, Inc. <sup>(3)</sup>	3,414 524
Hologic, Inc. <sup>(1)</sup>	1,275	55		Hunt (JB) Transport Services, Inc.	402 46
Humana, Inc.	637	158		IHS Markit Ltd. <sup>(1)</sup>	1,651 75
IDEXX Laboratories, Inc. <sup>(1)</sup>	395	62		Illinois Tool Works, Inc.	1,377 230
Illumina, Inc. <sup>(1)</sup>	664	145		Ingersoll-Rand plc	1,153 103
Incyte Corp. <sup>(1)</sup>	776	74		Jacobs Engineering Group, Inc.	564 37
Intuitive Surgical, Inc. <sup>(1)</sup>	494	180		Johnson Controls International plc	4,238 162
IQVIA Holdings, Inc. <sup>(1)</sup>	679	66		Kansas City Southern	479 50
Johnson & Johnson <sup>(3)</sup>	12,020	1,679		L3 Technologies, Inc.	356 70
Laboratory Corp. of America Holdings <sup>(1)</sup>	463	74		Lockheed Martin Corp. <sup>(3)</sup>	1,122 360
McKesson Corp.	956	149		Masco Corp.	1,448 64
Medtronic plc <sup>(3)</sup>	6,066	490		Nielsen Holdings plc	1,527 56
Merck & Co., Inc. <sup>(3)</sup>	12,249	689		Norfolk Southern Corp.	1,274 185
Mettler-Toledo International, Inc. <sup>(1)</sup>	117	73		Northrop Grumman Corp.	775 238
Mylan NV <sup>(1)</sup>	2,437	103		PACCAR, Inc.	1,597 114
Patterson Cos., Inc.	422	15		Parker-Hannifin Corp.	605 121
PerkinElmer, Inc.	500	37		Pentair plc	713 50
Perrigo Co., plc	603	53		Quanta Services, Inc. <sup>(1)</sup>	694 27
Pfizer, Inc. <sup>(3)</sup>	26,726	968		Raytheon Co. <sup>(3)</sup>	1,292 243
Quest Diagnostics, Inc.	601	59		Republic Services, Inc.	1,041 70
Regeneron Pharmaceuticals, Inc. <sup>(1)</sup>	349	131		Robert Half International, Inc.	574 32
ResMed, Inc.	646	55		Robinson (C.H.) Worldwide, Inc.	638 57
Stryker Corp.	1,428	221		Rockwell Automation, Inc.	583 114
Thermo Fisher Scientific, Inc.	1,792	340		Rockwell Collins, Inc.	738 100
UnitedHealth Group, Inc. <sup>(3)</sup>	4,330	955		Roper Technologies, Inc.	465 120
Universal Health Services, Inc. Class B	402	46		Snap-on, Inc.	272 47
Varian Medical Systems, Inc. <sup>(1)</sup>	417	46		Southwest Airlines Co.	2,503 164
Vertex Pharmaceuticals, Inc. <sup>(1)</sup>	1,146	172		Stanley Black & Decker, Inc.	696 118
Waters Corp. <sup>(1)</sup>	361	70		Stericycle, Inc. <sup>(1)</sup>	400 27
Zimmer Biomet Holdings, Inc.	919	111		Textron, Inc.	1,203 68
Zoetis, Inc.	2,231	161		TransDigm Group, Inc.	219 60
		14,120		Union Pacific Corp. <sup>(3)</sup>	3,584 481
				United Continental Holdings, Inc. <sup>(1)</sup>	1,175 79
<b>Industrials—9.5%</b>				United Parcel Service, Inc. Class B <sup>(3)</sup>	3,085 368
3M Co. <sup>(3)</sup>	2,673	629		United Rentals, Inc. <sup>(1)</sup>	384 66
A.O. Smith Corp.	690	42		United Technologies Corp. <sup>(3)</sup>	3,327 424
Acuity Brands, Inc.	176	31		Verisk Analytics, Inc. <sup>(1)</sup>	706 68
Alaska Air Group, Inc.	560	41		W.W. Grainger, Inc.	239 56
Allegion plc	446	35		Waste Management, Inc.	1,840 159
American Airlines Group, Inc.	1,970	102		Xylem, Inc.	816 56
AMETEK, Inc.	1,049	76			10,563
Arconic, Inc.	1,883	51			
Boeing Co. (The) <sup>(3)</sup>	2,488	734		<b>Information Technology—24.0%</b>	
Caterpillar, Inc. <sup>(3)</sup>	2,647	417		Accenture plc Class A <sup>(3)</sup>	3,042 466
Cintas Corp.	388	60		Activision Blizzard, Inc.	3,724 236
CSX Corp.	4,063	224		Adobe Systems, Inc. <sup>(1)</sup>	2,430 426
Cummins, Inc.	716	126		Advanced Micro Devices, Inc. <sup>(1)</sup>	4,028 41
Deere & Co.	1,420	222		Akamai Technologies, Inc. <sup>(1)</sup>	804 52
Delta Air Lines, Inc.	3,028	170		Alliance Data Systems Corp.	239 61
Dover Corp.	708	72		Alphabet, Inc. Class A <sup>(1)(3)</sup>	1,466 1,544
Eaton Corp. plc	2,022	160		Alphabet, Inc. Class C <sup>(1)(3)</sup>	1,485 1,554
Emerson Electric Co. <sup>(3)</sup>	2,833	197		Amphenol Corp. Class A	1,513 133
Equifax, Inc.	547	65		Analog Devices, Inc.	1,809 161
Expeditors International of Washington, Inc.	821	53		ANSYS, Inc. <sup>(1)</sup>	434 64
Fastenal Co.	1,309	72		Apple, Inc. <sup>(3)</sup>	25,409 4,300

Refer to Footnote Legend on page 56.

See Notes to Financial Statements



# VIRTUS RAMPART ENHANCED CORE EQUITY SERIES

## SCHEDULE OF INVESTMENTS (Continued)

DECEMBER 31, 2017

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
<b>Information Technology—continued</b>				<b>Materials—continued</b>	
Applied Materials, Inc.	5,257	\$ 269		DowDuPont, Inc. <sup>(3)</sup>	10,449 \$ 744
Autodesk, Inc. <sup>(1)</sup>	1,087	114		Eastman Chemical Co.	649 60
Automatic Data Processing, Inc.	2,187	256		Ecolab, Inc.	1,166 156
Broadcom Ltd.	2,002	514		FMC Corp.	601 57
CA, Inc.	1,618	54		Freeport-McMoRan, Inc. <sup>(1)</sup>	6,026 114
Cadence Design Systems, Inc. <sup>(1)</sup>	1,383	58		International Flavors & Fragrances, Inc.	354 54
Cisco Systems, Inc. <sup>(3)</sup>	24,606	942		International Paper Co.	1,849 107
Citrix Systems, Inc. <sup>(1)</sup>	714	63		LyondellBasell Industries N.V. Class A	1,453 160
Cognizant Technology Solutions Corp. Class A	2,933	208		Martin Marietta Materials, Inc.	281 62
Corning, Inc.	4,399	141		Monsanto Co. <sup>(3)</sup>	1,967 230
CSRA, Inc.	759	23		Mosaic Co. (The)	1,572 40
DXC Technology Co.	1,395	132		Newmont Mining Corp.	2,388 90
eBay, Inc. <sup>(1)</sup>	4,907	185		Nucor Corp.	1,430 91
Electronic Arts, Inc. <sup>(1)</sup>	1,544	162		Packaging Corp. of America	423 51
F5 Networks, Inc. <sup>(1)</sup>	296	39		PPG Industries, Inc.	1,149 134
Facebook, Inc. Class A <sup>(1)(3)</sup>	11,660	2,058		Praxair, Inc.	1,281 198
Fidelity National Information Services, Inc.	1,647	155		Sealed Air Corp.	808 40
Fiserv, Inc. <sup>(1)</sup>	1,052	138		Sherwin-Williams Co. (The)	368 151
FLIR Systems, Inc.	710	33		Vulcan Materials Co.	592 76
Gartner, Inc. <sup>(1)</sup>	464	57		WestRock Co.	1,137 72
Global Payments, Inc.	734	74			3,061
Hewlett Packard Enterprise Co.	8,195	118			
HP, Inc.	8,150	171		<b>Real Estate—2.7%</b>	
Intel Corp. <sup>(3)</sup>	23,124	1,067		Alexandria Real Estate Equities, Inc.	420 55
International Business Machines Corp. <sup>(3)</sup>	4,265	654		American Tower Corp.	1,922 274
Intuit, Inc.	1,215	192		Apartment Investment & Management Co. Class A	704 31
Juniper Networks, Inc.	1,801	51		AvalonBay Communities, Inc.	620 111
KLA-Tencor Corp.	759	80		Boston Properties, Inc.	692 90
Lam Research Corp.	798	147		CBRE Group, Inc. Class A <sup>(1)</sup>	1,349 58
Mastercard, Inc. Class A <sup>(3)</sup>	4,596	696		Crown Castle International Corp.	1,819 202
Microchip Technology, Inc.	1,124	99		Digital Realty Trust, Inc.	918 105
Micron Technology, Inc. <sup>(1)</sup>	5,502	226		Duke Realty Corp.	1,596 43
Microsoft Corp. <sup>(3)</sup>	37,890	3,241		Equinix, Inc.	350 159
Motorola Solutions, Inc.	788	71		Equity Residential	1,648 105
NetApp, Inc.	1,308	72		Essex Property Trust, Inc.	296 71
NVIDIA Corp.	2,958	572		Extra Space Storage, Inc.	565 49
Oracle Corp. <sup>(3)</sup>	14,862	703		Federal Realty Investment Trust	324 43
Paychex, Inc.	1,563	106		GGP, Inc.	2,721 64
PayPal Holdings, Inc. <sup>(1)(3)</sup>	5,568	410		HCP, Inc.	2,104 55
Qorvo, Inc. <sup>(1)</sup>	658	44		Host Hotels & Resorts, Inc.	3,320 66
QUALCOMM, Inc. <sup>(3)</sup>	7,273	466		Iron Mountain, Inc.	1,152 43
Red Hat, Inc. <sup>(1)</sup>	870	104		Kimco Realty Corp.	1,910 35
salesforce.com, Inc. <sup>(1)</sup>	3,362	344		Macerich Co. (The)	471 31
Seagate Technology plc	1,388	58		Mid-America Apartment Communities, Inc.	510 51
Skyworks Solutions, Inc.	906	86		Prologis, Inc.	2,386 154
Symantec Corp.	2,990	84		Public Storage	671 140
Synopsys, Inc. <sup>(1)</sup>	712	61		Realty Income Corp.	1,230 70
TE Connectivity Ltd.	1,767	168		Regency Centers Corp.	664 46
Texas Instruments, Inc. <sup>(3)</sup>	4,875	509		SBA Communications, Corp. <sup>(1)</sup>	540 88
Total System Services, Inc.	856	68		Simon Property Group, Inc. <sup>(3)</sup>	1,392 239
VeriSign, Inc. <sup>(1)</sup>	410	47		SL Green Realty Corp.	444 45
Visa, Inc. Class A <sup>(3)</sup>	9,003	1,027		UDR, Inc.	1,200 46
Western Digital Corp.	1,439	114		Ventas, Inc.	1,598 96
Western Union Co. (The)	2,176	41		Vornado Realty Trust	774 61
Xerox Corp.	1,103	32		Welltower, Inc.	1,655 106
Xilinx, Inc.	1,203	81		Weyerhaeuser Co.	3,378 119
		26,723			2,951
<b>Materials—2.7%</b>				<b>Telecommunication Services—2.1%</b>	
Air Products & Chemicals, Inc.	976	160		AT&T, Inc. <sup>(3)</sup>	30,205 1,174
Albemarle Corp.	495	63		CenturyLink, Inc.	4,853 81
Avery Dennison Corp.	396	46		Verizon Communications, Inc. <sup>(3)</sup>	19,757 1,046
Ball Corp.	1,575	60			2,301
CF Industries Holdings, Inc.	1,045	45			

Refer to Footnote Legend on page 56.

See Notes to Financial Statements

**VIRTUS RAMPART ENHANCED CORE EQUITY SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>Utilities—2.7%</b>		
AES Corp.	3,093	\$ 33
Alliant Energy Corp.	1,037	44
Ameren Corp.	1,089	64
American Electric Power Co., Inc.	2,207	162
American Water Works Co., Inc.	800	73
CenterPoint Energy, Inc.	1,934	55
CMS Energy Corp.	1,265	60
Consolidated Edison, Inc.	1,390	118
Dominion Energy, Inc.	2,878	233
DTE Energy Co.	805	88
Duke Energy Corp. <sup>(3)</sup>	3,134	264
Edison International	1,462	92
Energy Corp.	805	66
Eversource Energy	1,422	90
Exelon Corp. <sup>(3)</sup>	4,308	170
FirstEnergy Corp.	1,993	61
NextEra Energy, Inc. <sup>(3)</sup>	2,097	328
NiSource, Inc.	1,462	38
NRG Energy, Inc.	1,286	37
PG&E Corp.	2,301	103
Pinnacle West Capital Corp.	501	43
PPL Corp.	3,065	95
Public Service Enterprise Group, Inc.	2,270	117
SCANA Corp.	641	25
Sempra Energy	1,126	120
Southern Co. (The) <sup>(3)</sup>	4,476	215
WEC Energy Group, Inc.	1,416	94
Xcel Energy, Inc.	2,278	110
	2,998	
<b>TOTAL COMMON STOCKS</b>		
<b>(Identified Cost \$96,474)</b>		<b>108,115</b>
<b>EXCHANGE-TRADED FUND<sup>(2)</sup>—1.5%</b>		
Powershares S&P 500 High Beta Port ETF	40,511	1,721
<b>TOTAL EXCHANGE-TRADED FUND</b>		
<b>(Identified Cost \$1,641)</b>		<b>1,721</b>
<b>TOTAL LONG TERM INVESTMENTS—98.6%</b>		
<b>(Identified Cost \$98,115)</b>		<b>109,836</b>

**SHORT-TERM INVESTMENTS—1.1%**

**PURCHASED OPTIONS—0.1%**

(see open purchased options schedule)

**TOTAL PURCHASED OPTIONS—0.1%**

(Premiums Paid \$126)

**\$ 88**

**Money Market Mutual Fund<sup>(2)</sup>—1.0%**

Dreyfus Government Cash Management Fund – Institutional  
Shares (seven-day effective yield 1.190%)

1,074,908 1,075

**TOTAL SHORT-TERM INVESTMENTS**

(Identified Cost \$1,201)

**1,163**

**TOTAL INVESTMENTS, BEFORE WRITTEN OPTIONS—99.7%**

(Identified Cost \$99,316)

**110,999**

**WRITTEN OPTIONS—(0.2)%**

(see open written options schedule)

**TOTAL WRITTEN OPTIONS—(0.2)%**

(Premiums Received \$237)

**(161)**

**TOTAL INVESTMENTS NET OF WRITTEN OPTIONS—99.5%**

(Identified Cost \$99,079)

**110,838**

Other assets and liabilities, net—0.5%

548

**NET ASSETS—100.0%**

**\$111,386**

**Abbreviation:**

ETF Exchange-Traded Fund

**Footnote Legend:**

<sup>(1)</sup> Non-income producing.

<sup>(2)</sup> Shares of these funds are publicly offered, and the prospectus and annual reports of each are publicly available.

<sup>(3)</sup> All or a portion of the security is segregated as collateral for written options.

**Open Purchased Options contracts as of December 31, 2017, were as follows:**

Description of Options	Number of Contracts	Contract Notional Amount	Strike Price <sup>(1)</sup>	Expiration Date	Value
<b>Call Options</b>					
S&P 500 <sup>®</sup> Index	219	\$61,320	\$2,800	1/2/2018	\$—
S&P 500 <sup>®</sup> Index	110	30,690	2,790	1/3/2018	—
S&P 500 <sup>®</sup> Index	147	40,866	2,780	1/5/2018	1
S&P 500 <sup>®</sup> Index	110	30,580	2,780	1/8/2018	1
S&P 500 <sup>®</sup> Index	110	30,580	2,780	1/10/2018	—
S&P 500 <sup>®</sup> Index	110	30,635	2,785	1/12/2018	1
<b>Put Options</b>					
S&P 500 <sup>®</sup> Index	219	56,393	2,575	1/2/2018	7
S&P 500 <sup>®</sup> Index	110	28,215	2,565	1/3/2018	7
S&P 500 <sup>®</sup> Index	147	37,706	2,565	1/5/2018	11
S&P 500 <sup>®</sup> Index	110	28,270	2,570	1/8/2018	12
S&P 500 <sup>®</sup> Index	110	28,215	2,565	1/10/2018	21
S&P 500 <sup>®</sup> Index	110	28,160	2,560	1/12/2018	27
<b>Total Purchased Options</b>					<b>\$88</b>

See Notes to Financial Statements

**VIRTUS RAMPART ENHANCED CORE EQUITY SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

Open Written Options contracts as of December 31, 2017, were as follows:

Description of Options	Number of Contracts	Contract Notional Amount	Strike Price <sup>(1)</sup>	Expiration Date	Value
<b>Call Options</b>					
S&P 500 <sup>®</sup> Index	219	\$60,335	\$2,755	1/2/2018	\$ —
S&P 500 <sup>®</sup> Index	110	30,140	2,740	1/3/2018	—
S&P 500 <sup>®</sup> Index	147	40,131	2,730	1/5/2018	(2)
S&P 500 <sup>®</sup> Index	110	30,030	2,730	1/8/2018	(3)
S&P 500 <sup>®</sup> Index	110	30,030	2,730	1/10/2018	(5)
S&P 500 <sup>®</sup> Index	110	30,085	2,735	1/12/2018	(3)
<b>Put Options</b>					
S&P 500 <sup>®</sup> Index	219	57,488	2,625	1/2/2018	(13)
S&P 500 <sup>®</sup> Index	110	28,765	2,615	1/3/2018	(9)
S&P 500 <sup>®</sup> Index	147	38,441	2,615	1/5/2018	(24)
S&P 500 <sup>®</sup> Index	110	28,820	2,620	1/8/2018	(24)
S&P 500 <sup>®</sup> Index	110	28,765	2,615	1/10/2018	(30)
S&P 500 <sup>®</sup> Index	110	28,710	2,610	1/12/2018	(48)
<b>Total Written Options</b>					<u><u>\$(161)</u></u>

**Footnote Legend:**

<sup>(1)</sup> Strike price not reported in thousands.

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Significant Observable Inputs
Equity Securities:			
Common Stocks	\$108,115	\$108,115	\$—
Exchange-Traded Fund	1,721	1,721	—
Purchased Options	88	88	— <sup>(a)</sup>
Short-Term Investment	1,075	1,075	—
Total Investments before Written Options	<u>\$110,999</u>	<u>\$110,999</u>	<u>\$—<sup>(a)</sup></u>
Written Options	(161)	(161)	— <sup>(a)</sup>
Total Investments Net of Written Options	<u><u>\$110,838</u></u>	<u><u>\$110,838</u></u>	<u><u>\$—<sup>(a)</sup></u></u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

<sup>(a)</sup> Purchased and written options valued at zero above are considered to be Level 2 investments in this table.

**VIRTUS RAMPART EQUITY TREND SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>SHARES</u>	<u>VALUE</u>		<u>SHARES</u>	<u>VALUE</u>
<b>COMMON STOCKS—98.1%</b>			<b>Financials—continued</b>		
<b>Consumer Discretionary—19.4%</b>			Berkshire Hathaway, Inc. Class B <sup>(1)</sup>	298	\$ 59
Amazon.com, Inc. <sup>(1)</sup>	36	\$ 42	BlackRock, Inc.	28	14
Aptiv plc	403	34	Brighthouse Financial, Inc. <sup>(1)</sup>	27	2
Best Buy Co., Inc.	987	68	Charles Schwab Corp. (The)	286	15
BorgWarner, Inc.	299	15	Chubb Ltd.	139	20
Carnival Corp.	192	13	Cincinnati Financial Corp.	44	3
Charter Communications, Inc. Class A <sup>(1)</sup>	47	16	Citigroup, Inc.	135	10
Chipotle Mexican Grill, Inc. <sup>(1)</sup>	5	1	Citizens Financial Group, Inc.	101	4
Comcast Corp. Class A	1,090	44	Comerica, Inc.	35	3
Darden Restaurants, Inc.	27	3	E*Trade Financial Corp. <sup>(1)</sup>	66	3
Delphi Technologies plc <sup>(1)</sup>	134	7	Fifth Third Bancorp	148	5
DISH Network Corp. Class A <sup>(1)</sup>	53	3	Franklin Resources, Inc.	73	3
Expedia, Inc.	11	1	Gallagher (Arthur J.) & Co.	94	6
Garmin Ltd.	947	56	Goldman Sachs Group, Inc. (The)	86	22
H&R Block, Inc.	2,246	59	Huntington Bancshares, Inc.	219	3
Hilton Worldwide Holdings, Inc.	96	8	Invesco Ltd.	90	3
Home Depot, Inc. (The)	246	47	JPMorgan Chase & Co.	174	19
Horton (D.R.), Inc.	506	26	KeyCorp	218	4
Leggett & Platt, Inc.	321	15	Leucadia National Corp.	49	1
Lennar Corp. Class A	302	19	Lincoln National Corp.	63	5
Lowe's Cos., Inc.	176	16	M&T Bank Corp.	31	5
Marriott International, Inc. Class A	147	20	Marsh & McLennan Cos., Inc.	269	22
McDonald's Corp.	177	30	MetLife, Inc.	305	15
MGM Resorts International	1,004	34	Morgan Stanley	340	18
Mohawk Industries, Inc. <sup>(1)</sup>	153	42	Northern Trust Corp.	48	5
Netflix, Inc. <sup>(1)</sup>	39	7	People's United Financial, Inc.	69	1
Norwegian Cruise Line Holdings Ltd. <sup>(1)</sup>	84	4	PNC Financial Services Group, Inc. (The)	96	14
Priceline Group, Inc. (The) <sup>(1)</sup>	4	7	Principal Financial Group, Inc.	77	6
PulteGroup, Inc.	412	14	Progressive Corp. (The)	173	10
Royal Caribbean Cruises Ltd.	81	10	Prudential Financial, Inc.	122	14
Starbucks Corp.	315	18	Raymond James Financial, Inc.	31	3
TripAdvisor, Inc. <sup>(1)</sup>	10	— <sup>(2)</sup>	Regions Financial Corp.	240	4
Wyndham Worldwide Corp.	48	6	State Street Corp.	83	8
Wynn Resorts Ltd.	155	26	SunTrust Banks, Inc.	96	6
Yum! Brands, Inc.	75	6	T. Rowe Price Group, Inc.	53	6
		<u>717</u>	Torchmark Corp.	31	3
			Travelers Cos., Inc. (The)	82	11
			U.S. Bancorp	79	4
			Unum Group	65	4
<b>Consumer Staples—5.0%</b>			Wells Fargo & Co.	221	13
Altria Group, Inc.	389	28	Willis Towers Watson plc	70	11
Brown-Forman Corp. Class B	234	16	XL Group Ltd.	77	3
Constellation Brands, Inc. Class A	206	47	Zions Bancorporation	41	2
Philip Morris International, Inc.	315	33			<u>474</u>
Sysco Corp.	1,019	62			
		<u>186</u>			
			<b>Health Care—6.1%</b>		
<b>Energy—1.7%</b>			Abbott Laboratories	169	10
Andeavor	67	8	Aetna, Inc.	43	8
Marathon Petroleum Corp.	235	15	Agilent Technologies, Inc.	100	7
Phillips 66	199	20	Align Technology, Inc. <sup>(1)</sup>	92	20
Valero Energy Corp.	205	19	Anthem, Inc.	34	8
		<u>62</u>	Baxter International, Inc.	49	3
			Becton, Dickinson & Co.	26	5
<b>Financials—12.8%</b>			Boston Scientific Corp. <sup>(1)</sup>	134	3
Affiliated Managers Group, Inc.	12	3	Centene Corp. <sup>(1)</sup>	23	2
Aflac, Inc.	113	10	Cigna Corp.	33	7
Allstate Corp. (The)	108	11	Cooper Cos., Inc. (The)	62	14
Ameriprise Financial, Inc.	33	6	Danaher Corp.	60	6
AON plc	133	18	DENTSPLY SIRONA, Inc.	293	19
Bank of America Corp.	485	14	Edwards Lifesciences Corp. <sup>(1)</sup>	21	2
Bank of New York Mellon Corp. (The)	230	12	Hologic, Inc. <sup>(1)</sup>	27	1
BB&T Corp.	162	8	Humana, Inc.	19	5
			IDEXX Laboratories, Inc. <sup>(1)</sup>	9	1

Refer to Footnote Legend on page 60.

See Notes to Financial Statements

**VIRTUS RAMPART EQUITY TREND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
<b>Health Care—continued</b>			<b>Information Technology—continued</b>		
Illumina, Inc. <sup>(1)</sup>	46	\$ 10	Adobe Systems, Inc. <sup>(1)</sup>	106	\$ 18
Intuitive Surgical, Inc. <sup>(1)</sup>	11	4	Advanced Micro Devices, Inc. <sup>(1)</sup>	60	1
Iqvia Holdings, Inc. <sup>(1)</sup>	47	5	Akamai Technologies, Inc. <sup>(1)</sup>	9	1
Medtronic plc	132	11	Alliance Data Systems Corp.	5	1
Mettler-Toledo International, Inc. <sup>(1)</sup>	8	5	Alphabet, Inc. Class A <sup>(1)</sup>	16	17
PerkinElmer, Inc.	34	2	Alphabet, Inc. Class C <sup>(1)</sup>	16	17
ResMed, Inc.	14	1	Amphenol Corp. Class A	316	28
Stryker Corp.	31	5	Analog Devices, Inc.	27	2
Thermo Fisher Scientific, Inc.	125	24	ANSYS, Inc. <sup>(1)</sup>	18	3
UnitedHealth Group, Inc.	126	28	Apple, Inc.	303	51
Varian Medical Systems, Inc. <sup>(1)</sup>	9	1	Applied Materials, Inc.	606	31
Waters Corp. <sup>(1)</sup>	25	5	Autodesk, Inc. <sup>(1)</sup>	47	5
Zimmer Biomet Holdings, Inc.	20	2	Automatic Data Processing, Inc.	43	5
		<u>224</u>	Broadcom Ltd.	30	8
			CA, Inc.	22	1
			Cadence Design Systems, Inc. <sup>(1)</sup>	60	2
<b>Industrials—16.3%</b>			Citrix Systems, Inc. <sup>(1)</sup>	31	3
A.O. Smith Corp.	112	7	Corning, Inc.	933	30
Allegion plc	73	6	eBay, Inc. <sup>(1)</sup>	54	2
Arconic, Inc.	44	1	Electronic Arts, Inc. <sup>(1)</sup>	227	24
Boeing Co. (The)	58	17	Facebook, Inc. Class A <sup>(1)</sup>	128	23
Caterpillar, Inc.	258	41	Fidelity National Information Services, Inc.	32	3
Cintas Corp.	373	58	Fiserv, Inc. <sup>(1)</sup>	20	3
CSX Corp.	263	14	FLIR Systems, Inc.	1,262	59
Cummins, Inc.	69	12	Global Payments, Inc.	15	1
Deere & Co.	392	61	Hewlett Packard Enterprise Co.	96	1
Dover Corp.	45	5	HP, Inc.	98	2
Expeditors International of Washington, Inc.	65	4	Intel Corp.	349	16
FedEx Corp.	88	22	Intuit, Inc.	52	8
Flowserve Corp.	38	2	KLA-Tencor Corp.	89	9
Fortive Corp.	88	6	Lam Research Corp.	92	17
Fortune Brands Home & Security, Inc.	118	8	Mastercard, Inc. Class A	90	14
General Dynamics Corp.	29	6	Microchip Technology, Inc.	17	1
Hunt (JB) Transport Services, Inc.	529	61	Micron Technology, Inc. <sup>(1)</sup>	83	3
Illinois Tool Works, Inc.	90	15	Microsoft Corp.	535	46
Ingersoll-Rand plc	73	7	NetApp, Inc.	16	1
Johnson Controls International plc	716	27	NVIDIA Corp.	45	9
Kansas City Southern	30	3	Oracle Corp.	210	10
L3 Technologies, Inc.	8	2	Paychex, Inc.	31	2
Lockheed Martin Corp.	26	8	PayPal Holdings, Inc. <sup>(1)</sup>	109	8
Masco Corp.	245	11	Qorvo, Inc. <sup>(1)</sup>	9	1
Norfolk Southern Corp.	83	12	QUALCOMM, Inc.	110	7
Northrop Grumman Corp.	18	6	Red Hat, Inc. <sup>(1)</sup>	12	1
PACCAR, Inc.	154	11	salesforce.com, Inc. <sup>(1)</sup>	146	15
Parker-Hannifin Corp.	39	8	Seagate Technology plc	17	1
Pentair plc	48	3	Skyworks Solutions, Inc.	14	1
Raytheon Co.	30	6	Symantec Corp.	43	1
Republic Services, Inc.	250	17	Synopsys, Inc. <sup>(1)</sup>	32	3
Robinson (C.H.) Worldwide, Inc.	50	4	TE Connectivity Ltd.	623	59
Rockwell Collins, Inc.	17	2	Texas Instruments, Inc.	73	8
Snap-on, Inc.	17	3	Total System Services, Inc.	16	1
Stanley Black & Decker, Inc.	44	7	VeriSign, Inc. <sup>(1)</sup>	5	1
Stericycle, Inc. <sup>(1)</sup>	93	6	Visa, Inc. Class A	176	20
Textron, Inc.	27	2	Western Digital Corp.	17	1
TransDigm Group, Inc.	5	1	Western Union Co. (The)	45	1
Union Pacific Corp.	231	31	Xerox Corp.	13	— <sup>(2)</sup>
United Parcel Service, Inc. Class B	246	29	Xilinx, Inc.	18	1
United Technologies Corp.	77	10			<u>643</u>
Waste Management, Inc.	442	38			
Xylem, Inc.	52	4			
		<u>604</u>	<b>Materials—9.9%</b>		
<b>Information Technology—17.4%</b>			Albemarle Corp.	52	7
Activision Blizzard, Inc.	555	35	Avery Dennison Corp.	75	9
			DowDuPont, Inc.	757	54

Refer to Footnote Legend on page 60.

See Notes to Financial Statements

**VIRTUS RAMPART EQUITY TREND SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>Materials—continued</b>		
Eastman Chemical Co.	47	\$ 4
Ecolab, Inc.	122	16
International Flavors & Fragrances, Inc.	37	6
International Paper Co.	351	20
LyondellBasell Industries N.V. Class A	562	62
Martin Marietta Materials, Inc.	124	27
Nucor Corp.	1,023	65
Packaging Corp. of America	80	10
PPG Industries, Inc.	120	14
Sealed Air Corp.	153	7
Sherwin-Williams Co. (The)	39	16
Vulcan Materials Co.	262	34
WestRock Co.	216	14
		<u>365</u>
<b>Real Estate—6.3%</b>		
American Tower Corp.	94	13
CBRE Group, Inc. Class A <sup>(1)</sup>	1,356	59
Crown Castle International Corp.	89	10
Digital Realty Trust, Inc.	45	5
Duke Realty Corp.	462	13
Equinix, Inc.	17	8
Extra Space Storage, Inc.	28	2
Host Hotels & Resorts, Inc.	2,971	59
Iron Mountain, Inc.	58	2
Prologis, Inc.	691	45
Public Storage	33	7
SBA Communications, Corp. <sup>(1)</sup>	26	4
Weyerhaeuser Co.	165	6
		<u>233</u>
<b>Utilities—3.2%</b>		
AES Corp.	2,538	27
American Water Works Co., Inc.	641	59
NRG Energy, Inc.	1,156	33
		<u>119</u>
<b>TOTAL COMMON STOCKS</b>		<b>3,627</b>
<b>(Identified Cost \$2,776)</b>		<b>3,627</b>
<b>TOTAL LONG TERM INVESTMENTS—98.1%</b>		<b>3,627</b>
<b>(Identified Cost \$2,776)</b>		<b>3,627</b>
<b>SHORT-TERM INVESTMENT—2.2%</b>		
<b>Money Market Mutual Fund—2.2%</b>		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%) <sup>(2)</sup>	83,198	83
<b>TOTAL SHORT-TERM INVESTMENT</b>		<b>83</b>
<b>(Identified Cost \$83)</b>		<b>83</b>
<b>TOTAL INVESTMENTS—100.3%</b>		<b>3,710</b>
<b>(Identified Cost \$2,859)</b>		<b>3,710</b>
Other assets and liabilities, net—(0.3)%		(12)
<b>NET ASSETS—100.0%</b>		<b><u>\$3,698</u></b>

**Footnote Legend:**

<sup>(1)</sup> Non-income producing.

<sup>(2)</sup> Amount is less than \$500.

<sup>(3)</sup> Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

**Country Weightings† (unaudited)**

United States	94%
Switzerland	2
United Kingdom	2
Ireland	2
<b>Total</b>	<b>100%</b>

† % of total investments as of December 31, 2017

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices
<b>Equity Securities:</b>		
Common Stocks	\$3,627	\$3,627
Short-Term Investment	83	83
<b>Total Investments</b>	<b><u>\$3,710</u></b>	<b><u>\$3,710</u></b>

There were no securities valued using significant observable inputs (Level 2) or significant unobservable inputs (Level 3) at December 31, 2017.

There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>U.S. GOVERNMENT SECURITIES—2.1%</b>			<b>Agency—continued</b>		
U.S. Treasury Bond			5.000%, 10/1/35	\$ 26	\$ 29
2.500%, 2/15/46	\$ 1,837	\$ 1,746	6.000%, 9/1/36	1	1
U.S. Treasury Note			5.500%, 4/1/37	7	8
1.125%, 2/28/19	182	180	5.500%, 7/1/37	23	25
1.375%, 4/30/20	75	74	6.000%, 10/1/37	7	8
1.625%, 2/15/26	38	36	5.000%, 6/1/38	19	21
			5.500%, 6/1/38	3	3
<b>TOTAL U.S. GOVERNMENT SECURITIES</b>			5.500%, 6/1/38	4	4
<b>(Identified Cost \$2,043)</b>		<b>2,036</b>	5.500%, 11/1/38	14	15
			4.000%, 1/1/39	43	45
<b>MUNICIPAL BONDS—1.6%</b>			5.000%, 1/1/39	6	6
<b>California—0.8%</b>			6.000%, 1/1/39	10	11
San Diego County Regional Airport Authority Rental Car Center			4.500%, 3/1/39	11	12
Project Series B – Taxable			5.000%, 3/1/39	10	11
5.594%, 7/1/43	275	307	6.000%, 3/1/39	5	6
State of California, Build America Bonds Taxable			4.500%, 4/1/39	81	88
7.600%, 11/1/40	265	423	4.000%, 5/1/39	75	79
		730	4.500%, 2/1/40	59	63
			4.000%, 10/1/40	120	126
			4.500%, 4/1/41	126	135
<b>New York—0.4%</b>			4.000%, 7/1/41	88	92
Port Authority of New York & New Jersey, Consolidated Bonds			3.500%, 1/1/42	62	64
Revenue			3.500%, 4/1/42	252	260
5.000%, 4/15/57	335	392	3.500%, 12/1/42	154	159
			3.000%, 7/1/43	177	178
			4.000%, 10/1/44	247	258
<b>Texas—0.2%</b>			3.500%, 9/1/45	154	158
State of Texas			3.500%, 1/1/46	77	79
3.011%, 10/1/26	200	203	4.000%, 1/1/46	216	226
			3.000%, 6/1/46	145	146
			3.000%, 7/1/46	81	81
<b>Virginia—0.2%</b>			3.500%, 1/1/47	79	81
Tobacco Settlement Financing Corp. Series A-1, Taxable			4.000%, 4/1/47	46	48
6.706%, 6/1/46	210	189	3.500%, 7/1/47	176	181
			3.500%, 7/1/47	135	139
			4.000%, 7/1/47	157	164
			4.000%, 8/1/47	169	177
<b>TOTAL MUNICIPAL BONDS</b>			GNMA		
<b>(Identified Cost \$1,486)</b>		<b>1,514</b>	6.500%, 11/15/23	21	23
			6.500%, 12/15/23	1	1
<b>FOREIGN GOVERNMENT SECURITIES—0.7%</b>			6.500%, 2/15/24	15	17
Argentine Republic			6.500%, 11/15/31	18	20
7.625%, 4/22/46	150	169	6.500%, 2/15/32	21	23
Bolivarian Republic of Venezuela					3,435
9.375%, 1/13/34 <sup>(6)</sup>	65	13	<b>Non-Agency—5.4%</b>		
Kingdom of Abu Dhabi 144A			American Homes 4 Rent Trust		
2.500%, 10/11/22 <sup>(3)</sup>	200	196	2015-SFR2, C 144A, 4.691%, 10/17/45 <sup>(3)</sup>	110	117
Republic of Chile			2015-SFR1, A 144A, 3.467%, 4/17/52 <sup>(3)</sup>	105	107
5.500%, 8/5/20	52,000 <sup>CLP</sup>	88	Ameriquest Mortgage Securities, Inc. 2003-AR3, M4, (5.850% minus 1 month LIBOR)		
Russian Federation 144A			4.593%, 6/25/33 <sup>(2)</sup>	148	147
7.850%, 3/10/18 <sup>(3)</sup>	5,000 <sup>RUB</sup>	87	AMSR Trust 2016-SFR1, C 144A, (1 month LIBOR + 2.250%)		
United Mexican States			3.741%, 11/17/33 <sup>(2)(3)</sup>	100	101
Series M, 6.500%, 6/9/22	925 <sup>MXN</sup>	45	Aventura Mall Trust 2013-AVM, C 144A		
4.750%, 3/8/44	54	55	3.743%, 12/5/32 <sup>(2)(3)</sup>	300	305
			Bank of America (Merrill Lynch) Commercial Mortgage Securities Trust 2015-200P, A 144A		
<b>TOTAL FOREIGN GOVERNMENT SECURITIES</b>			3.218%, 4/14/33 <sup>(3)</sup>	100	101
<b>(Identified Cost \$772)</b>		<b>653</b>	Bayview Opportunity Master Fund Iva Trust		
			2016-SPL1, B1 144A, 4.250%, 4/28/55 <sup>(3)</sup>	100	103
<b>MORTGAGE-BACKED SECURITIES—8.9%</b>			2017-SPL1, B1 144A, 4.250%, 10/28/64 <sup>(2)(3)</sup>	100	102
<b>Agency—3.5%</b>					
FHLMC					
3.500%, 4/1/46	140	144			
FNMA					
4.000%, 6/1/20	7	7			
4.500%, 7/1/20	1	1			
6.500%, 10/1/31	3	3			
6.000%, 9/1/32	8	9			

Refer to Footnote Legend on page 68.

See Notes to Financial Statements

# VIRTUS STRATEGIC ALLOCATION SERIES

## SCHEDULE OF INVESTMENTS (Continued)

DECEMBER 31, 2017

(\$ reported in thousands)

	PAR VALUE	VALUE
<b>Non-Agency—continued</b>		
Bayview Opportunity Master Fund IVb Trust 2016-SPL2, B1 144A 4.250%, 6/28/53 <sup>(2)(3)</sup>	\$ 100	\$ 103
CIT Home Equity Loan Trust 2003-1, A5 5.480%, 7/20/34 <sup>(2)</sup>	171	174
Citigroup Commercial Mortgage Trust 2016-SMPL, A 144A 2.228%, 9/10/31 <sup>(3)</sup>	100	98
Citigroup Mortgage Loan Trust, Inc. 2004-NCM2, 2CB2, 6.750%, 8/25/34	61	65
2014-A, A 144A, 4.000%, 1/25/35 <sup>(2)(3)</sup>	45	47
2015-A, A1 144A, 3.500%, 6/25/58 <sup>(2)(3)</sup>	69	70
Cold Storage Trust 2017-ICE3, A 144A, (1 month LIBOR + 1.000%) 2.477%, 4/15/36 <sup>(2)(3)</sup>	115	115
Colony Multi-Family Mortgage Trust 2014-1, A 144A 2.543%, 4/20/50 <sup>(3)</sup>	28	28
Colony Starwood Homes Trust 2016-2A, C 144A, (1 month LIBOR + 2.150%) 3.627%, 12/17/33 <sup>(2)(3)</sup>	100	100
Credit Suisse Mortgage Capital Trust 2013-HYB1, A16 144A 3.006%, 4/25/43 <sup>(2)(3)</sup>	37	37
GAHR Commercial Mortgage Trust 2015-NRF, CFX 144A 3.382%, 12/15/34 <sup>(2)(3)</sup>	100	101
Galton Funding Mortgage Trust 2017-1, A21 144A 3.500%, 7/25/56 <sup>(2)(3)</sup>	75	76
GMAC Mortgage Corp. Loan Trust 2004-AR1, 12A 3.979%, 6/25/34 <sup>(2)</sup>	30	31
Goldman Sachs Mortgage Securities Trust 2012-ALOH, A 144A 3.551%, 4/10/34 <sup>(3)</sup>	100	103
GSA Home Equity Trust 2005-12, AF3W 4.999%, 9/25/35 <sup>(2)</sup>	29	30
IMC Home Equity Loan Trust 1997-5, A9 7.310%, 11/20/28	67	67
JPMorgan Chase (Bear Stearns) Adjustable Rate Mortgage Trust 2004-1, 21A1 3.396%, 4/25/34 <sup>(2)</sup>	39	40
JPMorgan Chase (Washington Mutual) Mortgage Pass-Through Certificates Trust 2003-AR6, A1, 3.227%, 6/25/33 <sup>(2)</sup>	44	45
2003-AR4, 2A1, 3.045%, 8/25/33 <sup>(2)</sup>	62	62
JPMorgan Chase Commercial Mortgage Securities Trust 2014-C22, A4, 3.801%, 9/15/47	150	157
2007-LDPX, AM, 5.464%, 1/15/49 <sup>(2)</sup>	28	28
JPMorgan Chase Mortgage Trust 2014-2, 2A2 144A, 3.500%, 6/25/29 <sup>(2)(3)</sup>	50	51
2016-1, M2 144A, 3.750%, 4/25/45 <sup>(2)(3)</sup>	73	74
2016-2, M2 144A, 3.750%, 12/25/45 <sup>(2)(3)</sup>	80	81
2011-C4, A4 144A, 4.388%, 7/15/46 <sup>(3)</sup>	225	236
JPMorgan Mortgage Trust 2017-5, A1 144A, 3.188%, 10/26/48 <sup>(2)(3)</sup>	175	177
2017-4, A3 144A, 3.500%, 11/25/48 <sup>(2)(3)</sup>	97	98
MASTR Alternative Loan Trust 2003-8, 2A1 5.750%, 11/25/33	101	104
MASTR Specialized Loan Trust 2005-3, A2 144A 5.704%, 11/25/35 <sup>(2)(3)</sup>	55	57
MetLife Securitization Trust 2017-1A, M1 144A 3.601%, 4/25/55 <sup>(2)(3)</sup>	100	103
Morgan Stanley – Bank of America (Merrill Lynch) Trust 2015-C22, AS 3.561%, 4/15/48	225	226
New Residential Mortgage Loan Trust 2014-1A, A 144A, 3.750%, 1/25/54 <sup>(2)(3)</sup>	78	80
2015-2A, A1 144A, 3.750%, 8/25/55 <sup>(2)(3)</sup>	66	67

### Non-Agency—continued

	PAR VALUE	VALUE
2016-1A, A1 144A, 3.750%, 3/25/56 <sup>(2)(3)</sup>	\$ 62	\$ 63
2016-3A, A1 144A, 3.750%, 9/25/56 <sup>(2)(3)</sup>	76	78
2016-4A, B1A 144A, 4.500%, 11/25/56 <sup>(2)(3)</sup>	96	102
NovaStar Mortgage Funding Trust Series 2004-4, M5, (1 month LIBOR + 1.725%) 3.277%, 3/25/35 <sup>(2)</sup>	116	116
One Market Plaza Trust 2017-1MKT, A 144A 3.614%, 2/10/32 <sup>(3)</sup>	100	103
Residential Asset Mortgage Products Trust 2005-SL2, A4 7.500%, 2/25/32	47	44
Structured Adjustable Rate Mortgage Loan Trust 2004-1, 6A 3.579%, 2/25/34 <sup>(2)</sup>	89	87
Towd Point Mortgage Trust 2015-1, A2 144A, 3.250%, 10/25/53 <sup>(2)(3)</sup>	100	101
2015-6, M1 144A, 3.750%, 4/25/55 <sup>(2)(3)</sup>	100	104
2015-5, A2 144A, 3.500%, 5/25/55 <sup>(2)(3)</sup>	100	103
2016-4, A1 144A, 2.250%, 7/25/56 <sup>(2)(3)</sup>	74	73
2015-2, 1M1 144A, 3.250%, 11/25/60 <sup>(2)(3)</sup>	145	147
Wells Fargo Commercial Mortgage Trust 2015-LC20, B 3.719%, 4/15/50	50	50
		<u>5,185</u>

### TOTAL MORTGAGE-BACKED SECURITIES

(Identified Cost \$8,510)

**8,620**

### ASSET-BACKED SECURITIES—2.5%

#### Auto Floor Plan—0.1%

Navistar Financial Dealer Note Master Owner Trust II 2016-1, B 144A, (1 month LIBOR + 1.750%) 3.302%, 9/27/21 <sup>(2)(3)</sup>	165	166
		<u>166</u>

#### Automobiles—1.3%

American Credit Acceptance Receivables Trust 2017-2, C 144A 2.860%, 6/12/23 <sup>(3)</sup>	95	95
Avis Budget Rental Car Funding LLC 2015-2A, A 144A 2.630%, 12/20/21 <sup>(3)</sup>	180	180
Capital Auto Receivables Asset Trust 2017-1, C 144A 2.700%, 9/20/22 <sup>(3)</sup>	90	90
Centre Point Funding LLC 2012-2A, 1 144A 2.610%, 8/20/21 <sup>(3)</sup>	57	56
DT Auto Owner Trust 2016-4A, C 144A 2.740%, 10/17/22 <sup>(3)</sup>	125	125
Exeter Automobile Receivables Trust 2015-1A, C 144A, 4.100%, 12/15/20 <sup>(3)</sup>	135	137
2014-3A, D 144A, 5.690%, 4/15/21 <sup>(3)</sup>	115	118
Flagship Credit Auto Trust 2016-1, A 144A 2.770%, 12/15/20 <sup>(3)</sup>	47	47
GLS Auto Receivables Trust 2017-1A, B 144A 2.980%, 12/15/21 <sup>(3)</sup>	115	115
TCF Auto Receivables Owner Trust 2014-1A, C 144A 3.120%, 4/15/21 <sup>(3)</sup>	165	165
Westlake Automobile Receivables Trust 2017-2A, C 144A 2.590%, 12/15/22 <sup>(3)</sup>	110	109
		<u>1,237</u>

#### Home Equity Loans—0.0%

Structured Asset Securities Corp. Mortgage Pass-Through Certificates 2001-SB1, A2 3.375%, 8/25/31	46	45
		<u>45</u>

Refer to Footnote Legend on page 68.

See Notes to Financial Statements



**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Other—0.7%</b>			<b>Consumer Discretionary—continued</b>		
BXG Receivables Note Trust 2012-A, A 144A 2.660%, 12/2/27 <sup>(3)</sup>	\$ 33	\$ 32	Wyndham Worldwide Corp. 5.100%, 10/1/25	\$ 130	\$ 136
Dell Equipment Finance Trust 2017-2, A3 144A 2.190%, 10/24/22 <sup>(3)</sup>	100	100			<u>1,866</u>
Diamond Resorts Owner Trust 2017-1A, A 144A 3.270%, 10/22/29 <sup>(3)</sup>	92	91	<b>Consumer Staples—0.4%</b>		
Mariner Finance Issuance Trust 2017-AA, A 144A 3.620%, 2/20/29 <sup>(3)</sup>	100	101	CVS Health Corp. 2.875%, 6/1/26	110	105
MVW Owner Trust 2017-1A, A 144A 2.420%, 12/20/34 <sup>(3)</sup>	106	105	Flowers Foods, Inc. 4.375%, 4/1/22	120	127
OneMain Financial Issuance Trust 2015-1A, A 144A 3.190%, 3/18/26 <sup>(3)</sup>	125	126	Kraft Heinz Foods Co. (The) 3.500%, 7/15/22	48	49
Prosper Marketplace Issuance Trust 2017-2A, B 144A 3.480%, 9/15/23 <sup>(3)</sup>	100	100	Safeway, Inc. 7.250%, 2/1/31	70	59
		<u>655</u>			<u>340</u>
<b>Student Loans—0.4%</b>			<b>Energy—2.2%</b>		
Earnest Student Loan Program LLC 2017-A, A2 144A 2.650%, 1/25/41 <sup>(3)</sup>	85	84	Anadarko Petroleum Corp. 5.550%, 3/15/26	20	22
Laurel Road Prime Student Loan Trust 2017-B, A2FX 144A 2.770%, 8/25/42 <sup>(3)</sup>	110	109	Ecopetrol S.A. 5.375%, 6/26/26	125	135
Sofi Professional Loan Program LLC 2017-E, A2B 144A 2.720%, 11/26/40 <sup>(3)</sup>	110	110	Enbridge Energy Partners LP 5.875%, 10/15/25	95	108
Sofi Professional Loan Program LLC 2016-A, A2 144A 2.760%, 12/26/36 <sup>(3)</sup>	60	60	Energy Transfer Equity LP 5.000%, 10/1/22	135	144
		<u>363</u>	4.250%, 3/15/23	90	89
<b>TOTAL ASSET-BACKED SECURITIES</b>			EP Energy LLC 144A 8.000%, 11/29/24 <sup>(3)</sup>	35	36
<b>(Identified Cost \$2,467)</b>			Helmerich & Payne International Drilling Co. 4.650%, 3/15/25	70	74
<b>CORPORATE BONDS AND NOTES—18.3%</b>			HollyFrontier Corp. 5.875%, 4/1/26	100	111
<b>Consumer Discretionary—1.9%</b>			Kinder Morgan, Inc. 4.300%, 6/1/25	150	156
Aptiv plc 3.150%, 11/19/20	90	91	7.750%, 1/15/32	60	77
Cooper-Standard Automotive, Inc. 144A 5.625%, 11/15/26 <sup>(3)</sup>	80	83	Lukoil International Finance BV 144A 4.563%, 4/24/23 <sup>(3)</sup>	200	208
Discovery Communications LLC 3.950%, 3/20/28	90	90	MPLX LP 4.875%, 12/1/24	110	119
Ford Motor Credit Co., LLC 5.750%, 2/1/21	275	299	NGL Energy Partners LP 5.125%, 7/15/19	95	97
General Motors Financial Co., Inc. 3.500%, 7/10/19	120	122	NuStar Logistics LP 5.625%, 4/28/27	80	81
4.200%, 3/1/21	40	42	Occidental Petroleum Corp. 4.400%, 4/15/46	80	89
Horton (D.R.), Inc. 4.750%, 2/15/23	115	123	Parsley Energy LLC 144A 5.625%, 10/15/27 <sup>(3)</sup>	80	82
L Brands, Inc. 6.875%, 11/1/35	42	42	Petrobras Global Finance BV 144A, 5.299%, 1/27/25 <sup>(3)</sup>	58	58
Lear Corp. 3.800%, 9/15/27	110	110	7.375%, 1/17/27	105	116
Lennar Corp. 144A 4.750%, 11/29/27 <sup>(3)</sup>	70	72	Petroleos Mexicanos 6.875%, 8/4/26	35	40
Marriott International, Inc. 3.125%, 2/15/23	160	160	6.500%, 6/2/41	90	93
QVC, Inc. 5.125%, 7/2/22	135	143	5.500%, 6/27/44	60	55
Scientific Games International, Inc. 144A 5.000%, 10/15/25 <sup>(3)</sup>	35	35	QEP Resources, Inc. 5.625%, 3/1/26	10	10
SFR Group S.A. 144A 7.375%, 5/1/26 <sup>(3)</sup>	200	206	Range Resources Corp. 4.875%, 5/15/25	75	72
Sirius XM Radio, Inc. 144A 5.000%, 8/1/27 <sup>(3)</sup>	75	75	TerraForm Power Operating LLC 144A 5.000%, 1/31/28 <sup>(3)</sup>	65	64
TRI Pointe Group, Inc. 5.875%, 6/15/24	35	37			<u>2,136</u>

Refer to Footnote Legend on page 68.

See Notes to Financial Statements

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Financials—6.6%</b>			<b>Financials—continued</b>		
Allstate Corp. (The)			Manulife Financial Corp.		
5.750%, 8/15/53 <sup>(4)</sup>	\$ 135	\$ 147	4.150%, 3/4/26	\$ 100	\$ 106
Apollo Management Holdings LP 144A			Morgan Stanley		
4.000%, 5/30/24 <sup>(3)</sup>	135	138	4.100%, 5/22/23	80	83
Ares Capital Corp.			3.125%, 7/27/26	115	113
4.875%, 11/30/18	18	18	Navient Corp.		
3.875%, 1/15/20	49	50	7.250%, 9/25/23	20	21
3.500%, 2/10/23	40	39	Nordea Bank AB 144A		
Ares Finance Co., LLC 144A			2.125%, 5/29/20 <sup>(3)</sup>	200	199
4.000%, 10/8/24 <sup>(3)</sup>	140	135	Nuveen Finance LLC 144A		
Aviation Capital Group LLC 144A			4.125%, 11/1/24 <sup>(3)</sup>	125	132
3.500%, 11/1/27 <sup>(3)</sup>	40	39	OM Asset Management plc		
Banco Bilbao Vizcaya Argentaria Bancomer S.A. 144A			4.800%, 7/27/26	60	62
6.500%, 3/10/21 <sup>(3)</sup>	150	163	Powszechna Kasa Oszczednosci Bank Polski S.A. 144A		
Banco de Credito del Peru 144A			4.630%, 9/26/22 <sup>(3)(5)</sup>	200	214
4.250%, 4/1/23 <sup>(3)</sup>	164	172	Prudential Financial, Inc.		
Banco de Credito e Inversiones 144A			5.875%, 9/15/42	90	98
3.500%, 10/12/27 <sup>(3)</sup>	215	210	5.625%, 6/15/43 <sup>(4)</sup>	60	65
Banco Internacional del Peru SAA Interbank 144A			S&P Global, Inc.		
6.625%, 3/19/29 <sup>(3)</sup>	115	130	4.000%, 6/15/25	125	131
Bank of America Corp.			Santander Holdings USA, Inc. 144A		
5.650%, 5/1/18	345	349	3.700%, 3/28/22 <sup>(3)</sup>	115	116
4.200%, 8/26/24	155	163	SBA Tower Trust 144A		
Bank of Montreal			2.877%, 7/9/21 <sup>(3)</sup>	100	99
3.803%, 12/15/32	26	26	Teachers Insurance & Annuity Association of America 144A		
Brookfield Finance LLC			4.375%, 9/15/54 <sup>(3)</sup>	110	112
4.000%, 4/1/24	82	85	Toronto-Dominion Bank (The)		
Capital One Financial Corp.			2.125%, 4/7/21	65	64
3.750%, 7/28/26	105	105	3.625%, 9/15/31	25	25
Citigroup, Inc.			Trinity Acquisition plc		
3.200%, 10/21/26	150	149	4.400%, 3/15/26	80	85
CNOOC Finance 2013 Ltd.			Turkiye Vakiflar Bankasi TAO 144A		
3.000%, 5/9/23	200	198	5.625%, 5/30/22 <sup>(3)</sup>	200	199
Fifth Third Bancorp			Wells Fargo & Co.		
4.500%, 6/1/18	150	152	3.069%, 1/24/23	40	40
First Horizon National Corp.			Series M, 3.450%, 2/13/23	115	117
3.500%, 12/15/20	110	112	Series S, 5.900%, 12/29/49	130	139
FS Investment Corp.			Willis Towers Watson plc		
4.250%, 1/15/20	115	117	5.750%, 3/15/21	125	136
4.750%, 5/15/22	35	36	Zions Bancorporation		
Goldman Sachs Group, Inc. (The)			4.500%, 6/13/23	40	42
4.250%, 10/21/25	180	188	<u>6,459</u>		
Huntington Bancshares, Inc.			<b>Health Care—1.5%</b>		
7.000%, 12/15/20	95	106	Abbott Laboratories		
ICAHN Enterprises LP 144A			3.400%, 11/30/23	25	25
6.375%, 12/15/25 <sup>(3)</sup>	20	20	3.750%, 11/30/26	105	108
iStar, Inc.			AbbVie, Inc.		
6.000%, 4/1/22	30	31	3.600%, 5/14/25	45	46
5.250%, 9/15/22	25	25	3.200%, 5/14/26	65	65
Jefferies Group LLC			AmerisourceBergen Corp.		
5.125%, 1/20/23	150	163	3.450%, 12/15/27	75	74
JPMorgan Chase & Co.			Anthem, Inc.		
3.300%, 4/1/26	150	151	3.650%, 12/1/27	24	24
KeyCorp			Becton Dickinson and Co.		
5.100%, 3/24/21	165	178	3.300%, 3/1/23	135	136
Kimco Realty Corp.			Cardinal Health, Inc.		
3.300%, 2/1/25	115	114	3.200%, 3/15/23	70	70
Liberty Mutual Group, Inc. 144A			3.079%, 6/15/24	5	5
4.250%, 6/15/23 <sup>(3)</sup>	135	142	3.410%, 6/15/27	40	39
Lincoln National Corp., (3 month LIBOR + 2.040%)			Catalent Pharma Solutions, Inc. 144A		
3.403%, 4/20/67 <sup>(2)(4)</sup>	50	46	4.875%, 1/15/26 <sup>(3)</sup>	5	5
Lloyds Bank plc 144A					
6.500%, 9/14/20 <sup>(3)</sup>	150	164			

Refer to Footnote Legend on page 68.

See Notes to Financial Statements

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	PAR VALUE	VALUE		PAR VALUE	VALUE
<b>Health Care—continued</b>			<b>Information Technology—continued</b>		
Endo Finance LLC 144A			Hewlett Packard Enterprise Co.	\$ 60	\$ 63
5.375%, 1/15/23 <sup>(3)</sup>	\$ 50	\$ 39	4.900%, 10/15/25		
Express Scripts Holding Co.			Match Group, Inc. 144A		
3.900%, 2/15/22	140	145	5.000%, 12/15/27 <sup>(3)</sup>	40	41
Forest Laboratories LLC 144A			Microsoft Corp.		
4.875%, 2/15/21 <sup>(3)</sup>	38	40	3.300%, 2/6/27	115	119
Fresenius U.S. Finance II, Inc. 144A			Verisk Analytics, Inc.		
4.500%, 1/15/23 <sup>(3)</sup>	15	16	4.000%, 6/15/25	125	129
HCA, Inc.				<u>998</u>	
5.375%, 2/1/25	20	21			
Mylan NV			<b>Materials—0.7%</b>		
3.150%, 6/15/21	20	20	Anglo American Capital plc 144A		
3.950%, 6/15/26	75	76	4.000%, 9/11/27 <sup>(3)</sup>	200	199
Shire Acquisitions Investments Ireland DAC			Glencore Funding LLC 144A		
2.400%, 9/23/21	120	118	4.125%, 5/30/23 <sup>(3)</sup>	95	98
Tenet Healthcare Corp. 144A			NewMarket Corp.		
4.625%, 7/15/24 <sup>(3)</sup>	95	93	4.100%, 12/15/22	142	148
Valeant Pharmaceuticals International, Inc. 144A,			NOVA Chemicals Corp. 144A,		
7.500%, 7/15/21 <sup>(3)</sup>	15	15	4.875%, 6/1/24 <sup>(3)</sup>	35	35
144A, 5.625%, 12/1/21 <sup>(3)</sup>	25	24	144A, 5.000%, 5/1/25 <sup>(3)</sup>	60	60
144A, 5.875%, 5/15/23 <sup>(3)</sup>	10	9	Vulcan Materials Co.		
144A, 7.000%, 3/15/24 <sup>(3)</sup>	15	16	3.900%, 4/1/27	95	97
144A, 5.500%, 11/1/25 <sup>(3)</sup>	35	36		<u>637</u>	
Zimmer Biomet Holdings, Inc.					
3.550%, 4/1/25	130	130	<b>Real Estate—2.2%</b>		
Zoetis, Inc.			Alexandria Real Estate Equities, Inc.		
3.250%, 2/1/23	70	71	3.950%, 1/15/27	60	61
		<u>1,466</u>	American Tower Corp.		
			3.000%, 6/15/23	41	41
<b>Industrials—0.5%</b>			Brixmor Operating Partnership LP		
Bombardier, Inc. 144A			3.875%, 8/15/22	35	36
6.125%, 1/15/23 <sup>(3)</sup>	55	54	Corporate Office Properties LP		
British Airways Pass-Through-Trust 2013-1, B 144A			3.700%, 6/15/21	90	92
5.625%, 6/20/20 <sup>(3)</sup>	26	27	3.600%, 5/15/23	150	150
CNH Industrial N.V.			Education Realty Operating Partnership LP		
4.500%, 8/15/23	79	82	4.600%, 12/1/24	150	156
3.850%, 11/15/27	49	49	EPR Properties		
Embraer Netherlands Finance BV			4.750%, 12/15/26	110	113
5.400%, 2/1/27	45	49	Healthcare Realty Trust, Inc.		
Owens Corning			3.875%, 5/1/25	80	81
3.400%, 8/15/26	80	78	Healthcare Trust of America Holdings LP		
Penske Truck Leasing Co., LP 144A			3.375%, 7/15/21	50	51
3.375%, 2/1/22 <sup>(3)</sup>	50	51	3.750%, 7/1/27	100	99
Pitney Bowes, Inc.			Highwoods Realty LP		
4.125%, 5/15/22	91	84	3.625%, 1/15/23	135	136
		<u>474</u>	Hospitality Properties Trust		
			4.500%, 3/15/25	130	135
<b>Information Technology—1.0%</b>			Kilroy Realty LP		
Apple, Inc.			4.375%, 10/1/25	110	115
2.400%, 1/13/23	65	64	LifeStorage LP		
3.250%, 2/23/26	80	82	3.500%, 7/1/26	50	49
3.350%, 2/9/27	80	82	3.875%, 12/15/27	35	35
Applied Materials, Inc.			MPT Operating Partnership LP		
3.300%, 4/1/27	95	97	5.000%, 10/15/27	40	41
Arrow Electronics, Inc.			National Retail Properties, Inc.		
3.875%, 1/12/28	95	95	5.500%, 7/15/21	150	163
Broadcom Corp.			Physicians Realty LP		
144A, 3.000%, 1/15/22 <sup>(3)</sup>	45	45	4.300%, 3/15/27	95	97
144A, 3.625%, 1/15/24 <sup>(3)</sup>	80	79	Retail Opportunity Investments Partnership LP		
Citrix Systems, Inc.			4.000%, 12/15/24	105	103
4.500%, 12/1/27	90	91	Select Income REIT		
Dell International LLC 144A			4.500%, 2/1/25	125	126
6.020%, 6/15/26 <sup>(3)</sup>	10	11			

Refer to Footnote Legend on page 68.

See Notes to Financial Statements

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	<b>PAR VALUE</b>	<b>VALUE</b>		<b>PAR VALUE</b>	<b>VALUE</b>
<b>Real Estate—continued</b>					
Welltower, Inc. 4.000%, 6/1/25	\$ 135	\$ 139			
WP Carey, Inc. 4.600%, 4/1/24	105	110			
		2,129			
<b>Telecommunication Services—0.6%</b>					
AT&T, Inc. 3.400%, 8/14/24	77	77			
4.250%, 3/1/27	60	61			
5.250%, 3/1/37	20	21			
4.800%, 6/15/44	80	79			
Level 3 Financing, Inc. 5.375%, 1/15/24	70	70			
Qwest Corp. 7.250%, 9/15/25	55	59			
Verizon Communications, Inc. 2.946%, 3/15/22	110	111			
4.125%, 3/16/27	95	99			
		577			
<b>Utilities—0.7%</b>					
American Electric Power Co., Inc. 3.200%, 11/13/27	85	84			
Entergy Mississippi, Inc. 3.100%, 7/1/23	175	177			
Exelon Corp. 3.497%, 6/1/22	135	138			
Kansas City Power & Light Co. 3.150%, 3/15/23	110	110			
Southern Power Co. 4.150%, 12/1/25	145	153			
Vistra Operations Co. LLC 144A 11.500%, 10/1/20 <sup>(3)(11)(12)</sup>	65	— <sup>(9)</sup>			
		662			
<b>TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$17,403)</b>					
		<b>17,744</b>			
<b>LOAN AGREEMENTS<sup>(2)</sup>—0.9%</b>					
<b>Consumer Discretionary—0.3%</b>					
Advantage Sales & Marketing, Inc. Tranche B-2, First Lien, (3 month LIBOR + 3.250%) 4.630%, 7/23/21	35	34			
Global Appliance, Inc. Tranche B, (1 month LIBOR + 4.000%) 5.570%, 9/29/24	30	30			
PetSmart, Inc. Tranche B-2, (1 month LIBOR + 3.000%) 4.570%, 3/11/22	62	49			
Seminole Tribe of Florida Tranche B, (1 month LIBOR + 2.000%) 3.569%, 7/8/24	60	60			
Sinclair Television Group, Inc. Tranche B, (3 month LIBOR + 2.500%) 0.000%, 12/12/24 <sup>(10)</sup>	45	45			
UFC Holdings LLC First Lien, (1 month LIBOR + 3.250%) 4.810%, 8/18/23	47	48			
		266			
<b>Consumer Staples—0.0%</b>					
Aramark Intermediate HoldCo Corp. Tranche B-1, (1 month LIBOR + 2.000%) 3.569%, 3/11/25	35	35			
<b>Energy—0.0%</b>					
Paragon Offshore Finance Co., (3 month LIBOR + 2.750%) 0.000%, 7/16/21 <sup>(10)(11)(12)</sup>	\$ — <sup>(9)</sup>	\$ —			
Seadrill Operating LP, (3 month LIBOR + 3.000%) 4.693%, 2/21/21	50	40			
		40			
<b>Financials—0.1%</b>					
Delos Finance S.a.r.l., (3 month LIBOR + 2.000%) 3.693%, 10/6/23	80	81			
<b>Health Care—0.0%</b>					
Envision Healthcare Corp., (1 month LIBOR + 3.000%) 4.570%, 12/1/23	10	11			
HLF Financing S.a.r.l. Senior Lien, (1 month LIBOR + 5.500%) 7.069%, 2/15/23	14	14			
		25			
<b>Industrials—0.1%</b>					
Accudyne Industries LLC, (1 month LIBOR + 3.750%) 5.319%, 8/18/24	5	5			
Beacon Roofing Supply, Inc. Tranche B, (3 month LIBOR + 2.250%) 0.000%, 1/2/25 <sup>(10)</sup>	60	60			
Red Ventures LLC First Lien, (1 month LIBOR + 4.000%) 5.569%, 11/8/24	35	35			
		100			
<b>Information Technology—0.1%</b>					
Rackspace Hosting, Inc. Tranche B, First Lien, (3 month LIBOR + 3.000%) 4.385%, 11/3/23	107	107			
<b>Materials—0.1%</b>					
CPI Acquisition, Inc. First Lien, (3 month LIBOR + 4.500%) 5.962%, 8/17/22	36	26			
Tronox Ltd. First Lien, (3 month LIBOR + 3.000%) 4.693%, 9/23/24	10	10			
First Lien, (3 month LIBOR + 3.000%) 4.693%, 9/23/24	5	5			
		41			
<b>Telecommunication Services—0.1%</b>					
CenturyLink, Inc. Tranche B, (3 month PRIME + 1.750%) 0.000%, 1/31/25 <sup>(10)</sup>	55	53			
Digicel International Finance Ltd. Tranche-B, First Lien, (1 month LIBOR + 3.750%) 5.310%, 5/27/24	10	10			
		63			
<b>Utilities—0.1%</b>					
Energy Future Intermediate Holding Co. LLC, (1 month LIBOR + 3.000%) 4.546%, 6/30/18	60	60			
Vistra Operations Co. LLC Tranche C, (1 month LIBOR + 2.500%) 3.833%, 8/4/23	5	5			
(1 month LIBOR + 2.750%) 3.951%, 8/4/23	24	24			
		89			
<b>TOTAL LOAN AGREEMENTS (Identified Cost \$877)</b>					
					<b>847</b>

Refer to Footnote Legend on page 68.

See Notes to Financial Statements

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	SHARES	VALUE
<b>PREFERRED STOCKS—0.8%</b>		
<b>Financials—0.6%</b>		
Bank of New York Mellon Corp. (The) Series E, 4.950%	40 <sup>(6)</sup>	\$ 41
Citigroup, Inc. Series T, 6.250%	125 <sup>(6)</sup>	138
JPMorgan Chase & Co. Series V, 5.000%	50 <sup>(6)</sup>	51
JPMorgan Chase & Co. Series Z, 5.300%	95 <sup>(6)</sup>	98
KeyCorp Series D, 5.000%	100 <sup>(6)</sup>	103
PNC Financial Services Group, Inc. (The) Series R, 4.850%	95 <sup>(6)</sup>	97
PNC Financial Services Group, Inc. (The) Series S, 5.000%	100 <sup>(6)</sup>	106
		<u>634</u>
<b>Industrials—0.2%</b>		
General Electric Co. Series D, 5.000%	150 <sup>(6)</sup>	155
<b>TOTAL PREFERRED STOCKS (Identified Cost \$770)</b>		<b>789</b>
<b>COMMON STOCKS—62.9%</b>		
<b>Consumer Discretionary—12.6%</b>		
Amazon.com, Inc. <sup>(1)</sup>	1,870	2,187
Ctrip.com International Ltd. ADR <sup>(1)</sup>	25,185	1,111
Home Depot, Inc. (The)	5,560	1,054
IMAX Corp. <sup>(1)</sup>	15,986	370
Las Vegas Sands Corp.	20,400	1,418
McDonald's Corp.	4,170	718
MercadoLibre, Inc.	840	264
Netflix, Inc. <sup>(1)</sup>	6,590	1,265
NIKE, Inc. Class B	14,200	888
Priceline Group, Inc. (The) <sup>(1)</sup>	365	634
Ross Stores, Inc.	11,320	908
Sony Corp. Sponsored ADR	10,428	469
Starbucks Corp.	16,020	920
		<u>12,206</u>
<b>Consumer Staples—3.8%</b>		
Fomento Economico Mexicano SAB de C.V. ADR	4,485	421
Marine Harvest ASA Sponsored ADR <sup>(1)</sup>	20,009	339
Monster Beverage Corp. <sup>(1)</sup>	28,490	1,803
Philip Morris International, Inc.	10,260	1,084
		<u>3,647</u>
<b>Energy—3.2%</b>		
Cabot Oil & Gas Corp.	30,420	870
Core Laboratories N.V.	4,730	518
Frontera Energy Corp. <sup>(1)</sup>	557	17
Pioneer Natural Resources Co.	4,270	738
Statoil ASA Sponsored ADR	23,786	510
TechnipFMC plc	15,605	489
		<u>3,142</u>
<b>Financials—7.5%</b>		
Bank of America Corp.	55,330	1,633
BOC Hong Kong Holdings Ltd. Sponsored ADR	4,283	435
CaixaBank S.A. ADR	277,495	430

**Financials—continued**

	SHARES	VALUE
Charles Schwab Corp. (The)	14,200	\$ 730
China Construction Bank Corp. ADR	24,747	457
Credit Agricole S.A. ADR	53,533	440
DBS Group Holdings Ltd. Sponsored ADR	7,626	569
ING Groep N.V. Sponsored ADR	26,676	492
MarketAxess Holdings, Inc.	3,150	636
Nomura Holdings, Inc. Sponsored ADR	78,420	456
ORIX Corp. Sponsored ADR	5,757	488
UBS Group AG Registered Shares	26,826	493
		<u>7,259</u>

**Health Care—4.4%**

	SHARES	VALUE
Allergan plc	2,606	426
BioMarin Pharmaceutical, Inc. <sup>(1)</sup>	7,510	670
Danaher Corp.	7,700	715
HealthEquity, Inc. <sup>(1)</sup>	9,580	447
ICON plc <sup>(1)</sup>	2,610	293
Illumina, Inc. <sup>(1)</sup>	3,550	775
Zoetis, Inc.	13,780	993
		<u>4,319</u>

**Industrials—5.0%**

	SHARES	VALUE
Airbus SE ADR	19,587	485
Ashtead Group plc ADR	4,917	535
Caterpillar, Inc.	6,270	988
Kansas City Southern	6,470	681
Nidec Corp. Sponsored ADR	14,311	503
RELX plc Sponsored ADR	12,478	296
Rockwell Automation, Inc.	2,430	477
Roper Technologies, Inc.	3,560	922
		<u>4,887</u>

**Information Technology—22.3%**

	SHARES	VALUE
Accenture plc Class A	5,200	796
Activision Blizzard, Inc.	12,660	802
Alibaba Group Holding Ltd. Sponsored ADR <sup>(1)</sup>	16,530	2,850
Alphabet, Inc. Class A <sup>(1)</sup>	750	790
Amphenol Corp. Class A	15,950	1,400
Broadcom Ltd.	1,739	447
Check Point Software Technologies Ltd. <sup>(1)</sup>	3,735	387
CoStar Group, Inc. <sup>(1)</sup>	2,220	659
Facebook, Inc. Class A <sup>(1)</sup>	25,060	4,422
Gartner, Inc. <sup>(1)</sup>	4,080	502
Hitachi Ltd. ADR	7,119	556
NVIDIA Corp.	8,200	1,587
Paycom Software, Inc. <sup>(1)</sup>	10,120	813
SAP SE Sponsored ADR	3,914	440
Tencent Holdings Ltd. ADR	24,750	1,285
Visa, Inc. Class A	16,050	1,830
Workday, Inc. Class A <sup>(1)</sup>	9,050	921
Yandex N.V. Class A <sup>(1)</sup>	34,100	1,117
		<u>21,604</u>

**Materials—3.0%**

	SHARES	VALUE
Anhui Conch Cement Co., Ltd. ADR	22,362	525
Ecolab, Inc.	7,200	966
Glencore plc ADR <sup>(1)</sup>	48,684	507
HeidelbergCement AG ADR	20,934	452
Toray Industries, Inc. ADR	22,835	430
		<u>2,880</u>

Refer to Footnote Legend on page 68.

See Notes to Financial Statements

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>SHARES</u>	<u>VALUE</u>
<b>Real Estate—0.3%</b>		
Lendlease Group Sponsored ADR	24,486	\$ 313
<b>Telecommunication Services—0.3%</b>		
BT Group plc Sponsored ADR	15,719	286
<b>Utilities—0.5%</b>		
Veolia Environnement S.A. ADR	17,495	446
Vistra Energy Corp. <sup>(1)</sup>	1,084	20
		<u>466</u>
<b>TOTAL COMMON STOCKS</b> <b>(Identified Cost \$47,453)</b>		<b>61,009</b>
<b>AFFILIATED MUTUAL FUND<sup>(7)</sup>—0.3%</b>		
Virtus Newfleet Credit Opportunities Fund Class R6	33,447	324
<b>TOTAL AFFILIATED MUTUAL FUND</b> <b>(Identified Cost \$334)</b>		<b>324</b>
<b>RIGHTS—0.0%</b>		
Vistra Energy Corp. <sup>(13)</sup>	1,084	1
<b>TOTAL RIGHTS</b> <b>(Identified Cost \$1)</b>		<b>1</b>
<b>TOTAL LONG TERM INVESTMENTS—99.0%</b> <b>(Identified Cost \$82,116)</b>		<b>96,003</b>
<b>SHORT-TERM INVESTMENT—1.0%</b>		
<b>Money Market Mutual Fund<sup>(7)</sup>—1.0%</b>		
Dreyfus Government Cash Management Fund – Institutional Shares (seven-day effective yield 1.190%)	988,019	988
<b>TOTAL SHORT-TERM INVESTMENT</b> <b>(Identified Cost \$988)</b>		<b>988</b>
<b>TOTAL INVESTMENTS—100.0%</b> <b>(Identified Cost \$83,104)</b>		<b>96,991</b>
Other assets and liabilities, net—0.0%		<u>37</u>
<b>NET ASSETS—100.0%</b>		<b><u>\$97,028</u></b>

**Abbreviations:**

ADR	American Depositary Receipt
FHLMC	Federal Home Loan Mortgage Corporation (“Freddie Mac”)
FNMA	Federal National Mortgage Association (“Fannie Mae”)
GNMA	Government National Mortgage Association (“Ginnie Mae”)
LIBOR	London Interbank Offered Rate
REIT	Real Estate Investment Trust

**Footnote Legend:**

- <sup>(1)</sup> Non-income producing.
- <sup>(2)</sup> Variable rate security. Rate disclosed is as of December 31, 2017. For loan agreements, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.

- <sup>(3)</sup> Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$10,712 or 11.0% of net assets.
- <sup>(4)</sup> Interest payments may be deferred.
- <sup>(5)</sup> Value shown as par value.
- <sup>(6)</sup> This Note was issued for the sole purpose of funding a loan agreement between the issuer and the borrower. As the credit risk for this security lies solely with the borrower, the name represented here is that of the borrower.
- <sup>(7)</sup> Shares of these funds are publicly offered, and the prospectus and annual reports of each are publicly available.
- <sup>(8)</sup> Security in default, interest payments are being received during the bankruptcy proceedings.
- <sup>(9)</sup> Amount is less than \$500.
- <sup>(10)</sup> This loan will settle after December 31, 2017, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- <sup>(11)</sup> Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- <sup>(12)</sup> Security in default, no interest payments are being received during the bankruptcy proceedings.
- <sup>(13)</sup> The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located at the end of the Schedule of Investments.

**Foreign Currencies:**

CLP	Chilean Peso
MXN	Mexican Peso
RUB	Russian Ruble

**Country Weightings† (unaudited)**

United States	74%
China	6
Japan	3
France	2
Russia	2
United Kingdom	2
Singapore	1
Other	10
<b>Total</b>	<b>100%</b>

† % of total investments as of December 31, 2017

**VIRTUS STRATEGIC ALLOCATION SERIES**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**DECEMBER 31, 2017**

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Series' investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Debt Securities:</b>				
Asset-Backed Securities	\$ 2,466	\$ —	\$ 2,466	\$—
Corporate Bonds and Notes	17,744	—	17,744	—
Foreign Government Securities	653	—	653	—
Loan Agreements	847	—	847	—
Mortgage-Backed Securities	8,620	—	8,620	—
Municipal Bonds	1,514	—	1,514	—
U.S. Government Securities	2,036	—	2,036	—
<b>Equity Securities:</b>				
Common Stocks	61,009	61,009	—	—
Preferred Stocks	789	—	789	—
Rights	1	—	—	1
Affiliated Mutual Fund	324	324	—	—
Short-Term Investment	988	988	—	—
<b>Total Investments</b>	<b><u>\$96,991</u></b>	<b><u>\$62,321</u></b>	<b><u>\$34,669</u></b>	<b><u>\$ 1</u></b>

Security held by the series with an end of period value of \$0 was transferred from Level 2 to Level 3 due to a decrease in trading activities at period end.

There were no other transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimis; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended December 31, 2017.

See Notes to Financial Statements

**VIRTUS VARIABLE INSURANCE TRUST**  
**STATEMENTS OF ASSETS AND LIABILITIES**  
**DECEMBER 31, 2017**

(Reported in thousands except shares and per share amounts)

	<b>Duff &amp; Phelps International Series</b>	<b>Duff &amp; Phelps Real Estate Securities Series</b>	<b>KAR Capital Growth Series</b>
<b>Assets</b>			
Investment in securities at value <sup>(1)</sup> .....	\$ 183,647	\$ 77,580	\$ 224,446
Cash .....	38	— <sup>(2)</sup>	—
Investment securities sold .....	—	326	—
Series shares sold .....	—	2	—
Receivables			
Dividends and interest .....	66	321	114
Tax reclaims .....	44	—	—
Other assets .....	467	198	572
Total assets .....	<u>184,262</u>	<u>78,427</u>	<u>225,132</u>
<b>Liabilities</b>			
Payables			
Series shares repurchased .....	18	31	34
Investment securities purchased .....	—	302	—
Investment advisory fees .....	120	52	119
Administration fees .....	13	6	17
Transfer and sub-transfer agent fees and expenses .....	1	1	— <sup>(2)</sup>
Professional fees .....	23	22	19
Distribution and service fees .....	39	16	49
Trustee deferred compensation plan .....	467	198	572
Other accrued expenses .....	78	28	69
Total liabilities .....	<u>759</u>	<u>656</u>	<u>879</u>
<b>Net Assets</b> .....	<u>\$ 183,503</u>	<u>\$ 77,771</u>	<u>\$ 224,253</u>
<b>Net Assets Consist of:</b>			
Capital paid in on shares of beneficial interest .....	\$ 167,523	\$ 53,532	\$ 116,112
Accumulated undistributed net investment income (loss) .....	(433)	(25)	(455)
Accumulated undistributed net realized gain (loss) .....	(10,677)	734	4,052
Net unrealized appreciation (depreciation) .....	27,090	23,530	104,544
<b>Net Assets</b> .....	<u>\$ 183,503</u>	<u>\$ 77,771</u>	<u>\$ 224,253</u>
<b>Net Assets:</b>			
Class A .....	\$ 183,403	\$ 77,564	\$ 224,253
Class I .....	\$ 100	\$ 207	\$ —
<b>Shares of Beneficial Interest Outstanding, \$1 par value, unlimited authorization:</b>			
Class A .....	14,671,584	4,033,027	7,140,910
Class I .....	8,033	10,776	—
<b>Net Asset Value Per Share:</b>			
Class A .....	\$ 12.50	\$ 19.23	\$ 31.40
Class I .....	\$ 12.48	\$ 19.19	\$ —
<sup>(1)</sup> Investments in securities at cost .....	\$ 156,562	\$ 54,050	\$ 119,902
<sup>(2)</sup> Amount is less than \$500.			

See Notes to Financial Statements



**VIRTUS VARIABLE INSURANCE TRUST**  
**STATEMENTS OF ASSETS AND LIABILITIES (Continued)**  
**DECEMBER 31, 2017**

(Reported in thousands except shares and per share amounts)

	<u>KAR Small-Cap Growth Series</u>	<u>KAR Small-Cap Value Series</u>	<u>Newfleet Multi-Sector Intermediate Bond Series</u>
<b>Assets</b>			
Investment in unaffiliated securities at value <sup>(1)</sup> . . . . .	\$ 81,688	\$ 94,705	\$ 130,471
Investment in affiliated funds at value <sup>(2)</sup> . . . . .	—	—	3,002
Cash . . . . .	—	— <sup>(3)</sup>	68
Receivables			
Investment securities sold . . . . .	—	—	46
Series shares sold . . . . .	—	—	217
Dividends and interest . . . . .	23	88	1,463
Other assets . . . . .	205	241	343
	<u>81,916</u>	<u>95,034</u>	<u>135,610</u>
<b>Liabilities</b>			
Cash overdraft . . . . .	— <sup>(3)</sup>	—	—
Payables			
Series shares repurchased . . . . .	115	11	9
Investment securities purchased . . . . .	20	—	280
Investment advisory fees . . . . .	54	66	59
Administration fees . . . . .	6	7	11
Transfer and sub-transfer agent fees and expenses . . . . .	1	— <sup>(3)</sup>	1
Professional fees . . . . .	20	20	24
Distribution and service fees . . . . .	17	20	28
Trustee deferred compensation plan . . . . .	205	241	343
Other accrued expenses . . . . .	23	31	47
	<u>461</u>	<u>396</u>	<u>802</u>
<b>Net Assets</b> . . . . .	<u>\$ 81,455</u>	<u>\$ 94,638</u>	<u>\$ 134,808</u>
<b>Net Assets Consist of:</b>			
Capital paid in on shares of beneficial interest . . . . .	\$ 38,250	\$ 58,918	\$ 137,627
Accumulated undistributed net investment income (loss) . . . . .	(145)	(155)	(139)
Accumulated undistributed net realized gain (loss) . . . . .	2,689	2,218	(2,803)
Net unrealized appreciation (depreciation) . . . . .	40,661	33,657	123
	<u>\$ 81,455</u>	<u>\$ 94,638</u>	<u>\$ 134,808</u>
<b>Net Assets:</b>			
Class A . . . . .	\$ 79,597	\$ 94,638	\$ 133,430
Class I . . . . .	\$ 1,858	\$ —	\$ 1,378
<b>Shares of Beneficial Interest Outstanding, \$1 par value, unlimited authorization:</b>			
Class A . . . . .	2,777,206	5,450,099	14,293,193
Class I . . . . .	63,910	—	147,760
<b>Net Asset Value Per Share:</b>			
Class A . . . . .	\$ 28.66	\$ 17.36	\$ 9.34
Class I . . . . .	\$ 29.08	\$ —	\$ 9.32
<sup>(1)</sup> Investments in unaffiliated securities at cost . . . . .	\$ 41,027	\$ 61,048	\$ 130,250
<sup>(2)</sup> Investments in affiliated funds at cost . . . . .	\$ —	\$ —	\$ 3,100
<sup>(3)</sup> Amount is less than \$500.			

See Notes to Financial Statements

**VIRTUS VARIABLE INSURANCE TRUST**  
**STATEMENTS OF ASSETS AND LIABILITIES (Continued)**  
**DECEMBER 31, 2017**

(Reported in thousands except shares and per share amounts)

	<u>Rampart Enhanced Core Equity Series</u>	<u>Rampart Equity Trend Series</u>	<u>Strategic Allocation Series</u>
<b>Assets</b>			
Investment in unaffiliated securities at value <sup>(1)</sup> .....	\$ 110,999	\$ 3,710	\$ 96,667
Investment in affiliated funds at value <sup>(2)</sup> .....	—	—	324
Cash .....	4	2	5
Deposits with broker for written options .....	583	—	—
Receivables			
Investment securities sold .....	111	—	15
Series shares sold .....	—	—	— <sup>(4)</sup>
Dividends and interest .....	108	4	305
Tax reclaims .....	—	—	1
Other assets .....	283	9	248
	<u>112,088</u>	<u>3,725</u>	<u>97,565</u>
<b>Liabilities</b>			
Written call options at value <sup>(3)</sup> .....	161	—	—
Payables			
Series shares repurchased .....	97	— <sup>(4)</sup>	12
Investment securities purchased .....	23	—	158
Investment advisory fees .....	51	2	43
Administration fees .....	9	— <sup>(4)</sup>	— <sup>(4)</sup>
Transfer and sub-transfer agent fees and expenses .....	— <sup>(4)</sup>	1	— <sup>(4)</sup>
Professional fees .....	19	13	24
Distribution and service fees .....	24	1	21
Trustee deferred compensation plan .....	283	9	248
Other accrued expenses .....	35	1	31
	<u>702</u>	<u>27</u>	<u>537</u>
<b>Net Assets</b> .....	<u>\$ 111,386</u>	<u>\$ 3,698</u>	<u>\$ 97,028</u>
<b>Net Assets Consist of:</b>			
Capital paid in on shares of beneficial interest .....	\$ 100,253	\$ 5,535	\$ 82,831
Accumulated undistributed net investment income (loss) .....	(298)	(50)	(246)
Accumulated undistributed net realized gain (loss) .....	(328)	(2,638)	556
Net unrealized appreciation (depreciation) on investments .....	11,683	851	13,887
Net unrealized appreciation (depreciation) on written options .....	76	—	—
	<u>\$ 111,386</u>	<u>\$ 3,698</u>	<u>\$ 97,028</u>
<b>Net Assets:</b>			
Class A .....	\$ 111,386	\$ 3,554	\$ 97,028
Class I .....	\$ —	\$ 144	\$ —
<b>Shares of Beneficial Interest Outstanding, \$1 par value, unlimited authorization:</b>			
Class A .....	9,283,721	268,252	7,686,332
Class I .....	—	10,743	—
<b>Net Asset Value Per Share:</b>			
Class A .....	\$ 12.00	\$ 13.25	\$ 12.62
Class I .....	\$ —	\$ 13.38	\$ —
<sup>(1)</sup> Investments in unaffiliated securities at cost .....	\$ 99,316	\$ 2,859	\$ 82,770
<sup>(2)</sup> Investments in affiliated funds at cost .....	\$ —	\$ —	\$ 334
<sup>(3)</sup> Premiums received .....	\$ 237	\$ —	\$ —
<sup>(4)</sup> Amount is less than \$500.			

See Notes to Financial Statements

**VIRTUS VARIABLE INSURANCE TRUST  
STATEMENTS OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>Duff &amp; Phelps International Series</u>	<u>Duff &amp; Phelps Real Estate Securities Series</u>	<u>KAR Capital Growth Series</u>
<b>Investment Income</b>			
Dividends .....	\$ 4,707	\$ 1,903	\$ 1,814
Interest .....	5	2	8
Foreign taxes withheld .....	(335)	—	(8)
Total investment income .....	<u>4,377</u>	<u>1,905</u>	<u>1,814</u>
<b>Expenses</b>			
Investment advisory fees .....	1,363	597	1,464
Administration fees .....	227	100	261
Distribution and service fees .....	454	198	523
Transfer agent fees and expenses .....	2	3	1
Sub-transfer agent fees—Class A .....	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
Sub-transfer agent fees—Class I .....	—	—	—
Custodian fees .....	47	3	7
Printing fees and expenses .....	40	19	45
Professional fees .....	27	22	24
Trustees' fees and expenses .....	21	9	23
Miscellaneous expenses .....	17	8	18
Total expenses .....	<u>2,198</u>	<u>959</u>	<u>2,366</u>
Less expenses reimbursed and/or waived by investment advisor .....	(54)	(37)	(212)
Custody fees reimbursed (Note 14) .....	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
Earnings credit from custodian .....	(17)	(2)	—
Net expenses .....	<u>2,127</u>	<u>920</u>	<u>2,154</u>
<b>Net investment income (loss) .....</b>	<u>2,250</u>	<u>985</u>	<u>(340)</u>
<b>Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency</b>			
Net Realized Gain (Loss) from:			
Investments .....	5,747	5,909	19,080
Foreign currency transactions .....	10	—	—
Forward currency transactions .....	(1,143)	—	—
Net Change in Unrealized Appreciation (Depreciation) on Investments and Foreign Currency:			
Investments .....	20,453	(2,287)	44,560
Foreign currency transactions .....	6	—	—
Forward currency transactions .....	(496)	—	—
<b>Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency .....</b>	<u>24,577</u>	<u>3,622</u>	<u>63,640</u>
Net increase (decrease) in net assets resulting from operations .....	<u>\$26,827</u>	<u>\$ 4,607</u>	<u>\$63,300</u>

<sup>(1)</sup> Amount is less than \$500.

See Notes to Financial Statements

**VIRTUS VARIABLE INSURANCE TRUST**  
**STATEMENTS OF OPERATIONS (Continued)**  
**YEAR ENDED DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>KAR Small-Cap Growth Series</u>	<u>KAR Small-Cap Value Series</u>	<u>Newfleet Multi-Sector Intermediate Bond Series</u>
<b>Investment Income</b>			
Interest .....	\$ 3	\$ 8	\$6,840
Dividends .....	501	1,359	40
Dividends from affiliated funds .....	—	—	188
Foreign taxes withheld .....	—	(10)	(9)
	<u>504</u>	<u>1,357</u>	<u>7,059</u>
<b>Expenses</b>			
Investment advisory fees .....	610	835	669
Administration fees .....	89	116	168
Distribution and service fees .....	176	232	332
Transfer agent fees and expenses .....	2	1	3
Sub-transfer agent fees—Class A .....	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
Sub-transfer agent fees—Class I .....	— <sup>(1)</sup>	—	— <sup>(1)</sup>
Custodian fees .....	5	3	14
Printing fees and expenses .....	17	21	28
Professional fees .....	20	21	30
Trustees' fees and expenses .....	8	10	15
Miscellaneous expenses .....	7	8	16
	<u>934</u>	<u>1,247</u>	<u>1,275</u>
Less expenses reimbursed and/or waived by investment advisor .....	(82)	(134)	(36)
Custody fees reimbursed (Note 14) .....	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
Earnings credit from custodian .....	(2)	—	(2)
	<u>850</u>	<u>1,113</u>	<u>1,237</u>
Net expenses .....	<u>850</u>	<u>1,113</u>	<u>1,237</u>
<b>Net investment income (loss) .....</b>	<b><u>(346)</u></b>	<b><u>244</u></b>	<b><u>5,822</u></b>
<b>Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency</b>			
Net Realized Gain (Loss) from:			
Unaffiliated investments .....	7,399	11,084	539
Foreign currency transactions .....	(3)	—	(9)
Net Change in Unrealized Appreciation (Depreciation) on Investments and Foreign Currency:			
Unaffiliated investments .....	17,596	5,753	2,346
Affiliated funds .....	—	—	(72)
Foreign currency transactions .....	—	—	1
	<u>24,992</u>	<u>16,837</u>	<u>2,805</u>
<b>Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency .....</b>	<b><u>24,992</u></b>	<b><u>16,837</u></b>	<b><u>2,805</u></b>
Net increase (decrease) in net assets resulting from operations .....	<u>\$24,646</u>	<u>\$17,081</u>	<u>\$8,627</u>

<sup>(1)</sup> Amount is less than \$500.

See Notes to Financial Statements

**VIRTUS VARIABLE INSURANCE TRUST**  
**STATEMENTS OF OPERATIONS (Continued)**  
**YEAR ENDED DECEMBER 31, 2017**

(\$ reported in thousands)

	<u>Rampart Enhanced Core Equity Series</u>	<u>Rampart Equity Trend Series</u>	<u>Strategic Allocation Series</u>
<b>Investment Income</b>			
Dividends	\$ 2,064	\$ 65	\$ 767
Dividends on affiliated funds	—	—	20
Interest	5	— <sup>(1)</sup>	1,446
Foreign taxes withheld	—	—	(32)
	<u>2,069</u>	<u>65</u>	<u>2,201</u>
<b>Expenses</b>			
Investment advisory fees	748	40	530
Administration fees	134	5	155
Distribution and service fees	267	10	241
Transfer agent fees and expenses	1	2	1
Sub-transfer agent fees—Class A	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
Sub-transfer agent fees—Class I	—	— <sup>(1)</sup>	—
Custodian fees	25	1	28
Printing fees and expenses	24	2	20
Professional fees	23	21	26
Trustees' fees and expenses	12	1	11
Miscellaneous expenses	9	1	8
	<u>1,243</u>	<u>83</u>	<u>1,020</u>
Less expenses reimbursed and/or waived by investment advisor	(196)	(15)	(77)
Custody fees reimbursed (Note 14)	— <sup>(1)</sup>	—	— <sup>(1)</sup>
Earnings credit from custodian	(2)	— <sup>(1)</sup>	(1)
	<u>1,045</u>	<u>68</u>	<u>942</u>
Net expenses	<u>1,045</u>	<u>68</u>	<u>942</u>
<b>Net investment income (loss)</b>	<u>1,024</u>	<u>(3)</u>	<u>1,259</u>
<b>Net Realized and Unrealized Gain (Loss) on Investments, Foreign Currency, and Written Options</b>			
Net Realized Gain (Loss) from:			
Unaffiliated investments	7,951	299	998
Foreign currency transactions	—	—	— <sup>(1)</sup>
Written options	8,254	—	—
Net Change in Unrealized Appreciation (Depreciation) on Investments, Foreign Currency, and Written Options:			
Unaffiliated investments	4,741	451	14,487
Affiliated funds	—	—	(8)
Foreign currency transactions	—	—	— <sup>(1)</sup>
Written options	114	—	—
	<u>21,060</u>	<u>750</u>	<u>15,477</u>
<b>Net Realized and Unrealized Gain (Loss) on Investments, Foreign Currency, and Written Options</b>	<u>21,060</u>	<u>750</u>	<u>15,477</u>
Net increase (decrease) in net assets resulting from operations	<u>\$22,084</u>	<u>\$747</u>	<u>\$16,736</u>

<sup>(1)</sup> Amount is less than \$500.

See Notes to Financial Statements

# VIRTUS VARIABLE INSURANCE TRUST

## STATEMENTS OF CHANGES IN NET ASSETS

(\$ reported in thousands)

	Duff & Phelps International Series		Duff & Phelps Real Estate Securities Series		KAR Capital Growth Series	
	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
<b>INCREASE/(DECREASE) IN NET ASSETS</b>						
<b>From Operations</b>						
Net investment income (loss) .....	\$ 2,250	\$ 1,253	\$ 985	\$ 1,237	\$ (340)	\$ (7)
Net realized gain (loss) .....	4,614	(14,918)	5,909	13,447	19,080	18,654
Net change in unrealized appreciation (depreciation) .....	19,963	9,833	(2,287)	(9,047)	44,560	(20,728)
Increase (decrease) in net assets resulting from operations .....	26,827	(3,832)	4,607	5,637	63,300	(2,081)
<b>Dividends and Distributions to Shareholders:</b>						
<b>Net Investment Income:</b>						
Class A .....	(2,824)	(1,466)	(1,113)	(1,520)	—	(4,514)
Class I .....	(2)	(1)	(3)	(4)	—	—
<b>Net Realized Gains:</b>						
Class A .....	—	(36,139)	(7,444)	(12,698)	(9,483)	—
Class I .....	—	(16)	(19)	(29)	—	—
Total Dividends and Distributions .....	(2,826)	(37,622)	(8,579)	(14,251)	(9,483)	(4,514)
<b>From Share Transactions</b>						
Sale of shares						
Class A .....	2,956	2,480	4,023	8,088	3,454	3,451
Class I .....	—	—	53	89	—	—
Reinvestment of distributions						
Class A .....	2,824	37,605	8,557	14,218	9,483	4,514
Class I .....	2	17	22	33	—	—
Shares repurchased						
Class A .....	(24,234)	(30,771)	(12,298)	(20,375)	(28,020)	(25,945)
Class I .....	—	—	(56)	(54)	—	—
Increase (decrease) in net assets from share transactions .....	(18,452)	9,331	301	1,999	(15,083)	(17,980)
Net increase (decrease) in net assets .....	5,549	(32,123)	(3,671)	(6,615)	38,734	(24,575)
<b>Net Assets</b>						
Beginning of period .....	177,954	210,077	81,442	88,057	185,519	210,094
End of period .....	<u>\$183,503</u>	<u>\$177,954</u>	<u>\$ 77,771</u>	<u>\$ 81,442</u>	<u>\$224,253</u>	<u>\$185,519</u>
Accumulated undistributed net investment income (loss) at end of period .....	\$ (433)	\$ (207)	\$ (25)	\$ 106	\$ (455)	\$ (364)
<b>Shares</b>						
Sales of shares						
Class A .....	251	209	197	340	116	141
Class I .....	—	—	3	4	—	—
Reinvestment of distributions						
Class A .....	233	3,585	440	683	301	186
Class I .....	— <sup>(1)</sup>	2	1	1	—	—
Shares repurchased						
Class A .....	(2,051)	(2,543)	(604)	(870)	(976)	(1,062)
Class I .....	—	—	(3)	(2)	—	—
Net Increase/(Decrease) .....	<u>(1,567)</u>	<u>1,253</u>	<u>34</u>	<u>156</u>	<u>(559)</u>	<u>(735)</u>

<sup>(1)</sup> Amount is less than 500 shares.

See Notes to Financial Statements

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

(\$ reported in thousands)

	KAR Small-Cap Growth Series		KAR Small-Cap Value Series		Newfleet Multi-Sector Intermediate Bond Series	
	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
<b>INCREASE/(DECREASE) IN NET ASSETS</b>						
<b>From Operations</b>						
Net investment income (loss) .....	\$ (346)	\$ (163)	\$ 244	\$ 1,764	\$ 5,822	\$ 6,486
Net realized gain (loss) .....	7,396	4,817	11,084	13,250	530	(1,865)
Net change in unrealized appreciation (depreciation) .....	17,596	8,834	5,753	6,544	2,275	7,154
Increase (decrease) in net assets resulting from operations .....	24,646	13,488	17,081	21,558	8,627	11,775
<b>Dividends and Distributions to Shareholders:</b>						
<b>Net Investment Income:</b>						
Class A .....	—	—	(600)	(1,727)	(5,734)	(5,840)
Class I .....	—	—	—	—	(59)	(11)
<b>Net Realized Gains:</b>						
Class A .....	(4,641)	(5,282)	(12,415)	(10,774)	—	—
Class I .....	(106)	(28)	—	—	—	—
Total Dividends and Distributions .....	(4,747)	(5,310)	(13,015)	(12,501)	(5,793)	(5,851)
<b>From Share Transactions</b>						
Sale of shares						
Class A .....	1,300	2,658	1,167	1,445	17,075	12,757
Class I .....	1,671	247	—	—	1,404	9
Reinvestment of distributions						
Class A .....	4,642	5,282	13,015	12,501	5,734	5,840
Class I .....	105	28	—	—	59	11
Shares repurchased						
Class A .....	(8,897)	(8,957)	(18,576)	(20,871)	(21,187)	(30,100)
Class I .....	(626)	(126)	—	—	(322)	(1)
Increase (decrease) in net assets from share transactions .....	(1,805)	(868)	(4,394)	(6,925)	2,763	(11,484)
Net increase (decrease) in net assets .....	18,094	7,310	(328)	2,132	5,597	(5,560)
<b>Net Assets</b>						
Beginning of period .....	63,361	56,051	94,966	92,834	129,211	134,771
End of period .....	\$81,455	\$63,361	\$ 94,638	\$ 94,966	\$134,808	\$129,211
Accumulated undistributed net investment income (loss) at end of period .....	\$ (145)	\$ (113)	\$ (155)	\$ 112	\$ (139)	\$ 80
<b>Shares</b>						
Sales of shares						
Class A .....	51	128	66	85	1,809	1,391
Class I .....	69	12	—	—	149	1
Reinvestment of distributions						
Class A .....	163	250	751	754	614	642
Class I .....	4	1	—	—	6	1
Shares repurchased						
Class A .....	(352)	(443)	(1,057)	(1,270)	(2,246)	(3,292)
Class I .....	(25)	(6)	—	—	(34)	(1) <sup>(1)</sup>
Net Increase/(Decrease) .....	(90)	(58)	(240)	(431)	298	(1,257)

<sup>(1)</sup> Amount is less than 500 shares.

See Notes to Financial Statements

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

(\$ reported in thousands)

	Rampart Enhanced Core Equity Series		Rampart Equity Trend Series		Strategic Allocation Series	
	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
<b>INCREASE/(DECREASE) IN NET ASSETS</b>						
<b>From Operations</b>						
Net investment income (loss) .....	\$ 1,024	\$ 1,903	\$ (3)	\$ (11)	\$ 1,259	\$ 1,989
Net realized gain (loss) .....	16,205	20,692	299	(518)	998	10,276
Net change in unrealized appreciation (depreciation) .....	4,855	(13,640)	451	147	14,479	(11,468)
Increase (decrease) in net assets resulting from operations .....	22,084	8,955	747	(382)	16,736	797
<b>Dividends and Distributions to Shareholders:</b>						
<b>Net Investment Income:</b>						
Class A .....	(1,783)	(1,308)	—	—	(1,796)	(1,648)
Class I .....	—	—	—	—	—	—
<b>Net Realized Gains:</b>						
Class A .....	(18,760)	(19,999)	(85)	—	(646)	(10,307)
Class I .....	—	—	(3)	—	—	—
<b>Return of Capital:</b>						
Class A .....	(531)	—	—	—	—	—
Total Dividends and Distributions .....	(21,074)	(21,307)	(88)	—	(2,442)	(11,955)
<b>From Share Transactions</b>						
Sale of shares						
Class A .....	907	1,665	185	178	531	1,292
Class I .....	—	—	— <sup>(1)</sup>	—	—	—
Reinvestment of distributions						
Class A .....	21,074	21,307	85	—	2,442	11,955
Class I .....	—	—	3	—	—	—
Shares repurchased						
Class A .....	(16,192)	(15,946)	(1,797)	(6,285)	(13,515)	(15,638)
Class I .....	—	—	— <sup>(1)</sup>	(3)	—	—
Increase (decrease) in net assets from share transactions .....	5,789	7,026	(1,524)	(6,110)	(10,542)	(2,391)
Net increase (decrease) in net assets .....	6,799	(5,326)	(865)	(6,492)	3,752	(13,549)
<b>Net Assets</b>						
Beginning of period .....	104,587	109,913	4,563	11,055	93,276	106,825
End of period .....	<u>\$111,386</u>	<u>\$104,587</u>	<u>\$ 3,698</u>	<u>\$ 4,563</u>	<u>\$ 97,028</u>	<u>\$ 93,276</u>
Accumulated undistributed net investment income (loss) at end of period .....	\$ (298)	\$ 396	\$ (50)	\$ (50)	\$ (246)	\$ 224
<b>Shares</b>						
Sales of shares						
Class A .....	70	123	15	16	43	104
Class I .....	—	—	—	—	—	—
Reinvestment of distributions						
Class A .....	1,735	1,759	6	—	199	1,085
Class I .....	—	—	— <sup>(2)</sup>	—	—	—
Shares repurchased						
Class A .....	(1,255)	(1,190)	(147)	(582)	(1,131)	(1,271)
Class I .....	—	—	— <sup>(2)</sup>	— <sup>(2)</sup>	—	—
Net Increase/(Decrease) .....	<u>550</u>	<u>692</u>	<u>(126)</u>	<u>(566)</u>	<u>(889)</u>	<u>(82)</u>

<sup>(1)</sup> Amount is less than \$500.

<sup>(2)</sup> Amount is less than 500 shares.

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) <sup>(1)</sup>	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 <sup>(2)</sup>	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets <sup>(3)</sup>	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) <sup>(3)</sup>	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
<b>Duff &amp; Phelps International Series</b>															
<b>Class A</b>															
1/1/17 to 12/31/17	\$10.95	0.15	1.59	1.74	(0.19)	—	(0.19)	1.55	\$12.50	15.95%	\$183,403	1.18%	1.21%	1.24%	81%
1/1/16 to 12/31/16	14.01	0.08	(0.44)	(0.36)	(0.09)	(2.61)	(2.70)	(3.06)	10.95	(1.61) <sup>(13)</sup>	177,868	1.18 <sup>(11)(13)</sup>	1.26	0.62 <sup>(13)</sup>	83
1/1/15 to 12/31/15	16.67	0.35	(2.04)	(1.69)	(0.37)	(0.60)	(0.97)	(2.66)	14.01	(10.48)	209,990	1.19 <sup>(11)</sup>	1.30	2.16	104
1/1/14 to 12/31/14	18.23	0.67	(1.34)	(0.67)	(0.71)	(0.18)	(0.89)	(1.56)	16.67	(3.90)	261,281	1.18	1.26	3.60	9
1/1/13 to 12/31/13	17.30	0.35	0.97	1.32	(0.39)	—	(0.39)	0.93	18.23	7.78	317,726	1.18	1.18	1.97	11
<b>Class I</b>															
1/1/17 to 12/31/17	\$10.94	0.17	1.59	1.76	(0.22)	—	(0.22)	1.54	\$12.48	16.17%	\$ 100	0.93%	0.96%	1.48%	81%
1/1/16 to 12/31/16	13.99	0.11	(0.42)	(0.31)	(0.13)	(2.61)	(2.74)	(3.05)	10.94	(1.28) <sup>(13)</sup>	86	0.93 <sup>(11)(13)</sup>	1.01	0.88 <sup>(13)</sup>	83
1/1/15 to 12/31/15	16.65	0.38	(2.03)	(1.65)	(0.41)	(0.60)	(1.01)	(2.66)	13.99	(10.26)	87	0.94 <sup>(11)</sup>	1.05	2.39	104
1/1/14 to 12/31/14	18.22	0.69	(1.32)	(0.63)	(0.76)	(0.18)	(0.94)	(1.57)	16.65	(3.71)	97	0.93	1.01	3.71	9
4/30/13 <sup>(4)</sup> to 12/31/13	18.40	0.18	0.08	0.26	(0.44)	—	(0.44)	(0.18)	18.22	1.17 <sup>(6)</sup>	104	0.93 <sup>(5)</sup>	0.93 <sup>(5)</sup>	1.54 <sup>(5)</sup>	11 <sup>(9)</sup>
<b>Duff &amp; Phelps Real Estate Securities Series</b>															
<b>Class A</b>															
1/1/17 to 12/31/17	\$20.31	0.25	0.92	1.17	(0.29)	(1.96)	(2.25)	(1.08)	\$19.23	5.97%	\$ 77,564	1.16%	1.21%	1.24%	24%
1/1/16 to 12/31/16	22.85	0.34	1.17	1.51	(0.43)	(3.62)	(4.05)	(2.54)	20.31	6.82 <sup>(13)</sup>	81,243	1.17 <sup>(11)(13)</sup>	1.25	1.42 <sup>(13)</sup>	35
1/1/15 to 12/31/15	27.05	0.44	0.17	0.61	(0.37)	(4.44)	(4.81)	(4.20)	22.85	2.38	87,899	1.18 <sup>(11)</sup>	1.29	1.64	18
1/1/14 to 12/31/14	23.33	0.29	7.00	7.29	(0.31)	(3.26)	(3.57)	3.72	27.05	31.62	105,508	1.16	1.27	1.10	22
1/1/13 to 12/31/13	27.78	0.34	(0.05)	0.29	(0.43)	(4.31)	(4.74)	(4.45)	23.33	0.90	90,794	1.16	1.22	1.20	26
<b>Class I</b>															
1/1/17 to 12/31/17	\$20.27	0.30	0.93	1.23	(0.35)	(1.96)	(2.31)	(1.08)	\$19.19	6.25%	\$ 207	0.91%	0.96%	1.49%	24%
1/1/16 to 12/31/16	22.81	0.35	1.22	1.57	(0.49)	(3.62)	(4.11)	(2.54)	20.27	7.10 <sup>(13)</sup>	199	0.92 <sup>(11)(13)</sup>	1.00	1.46 <sup>(13)</sup>	35
1/1/15 to 12/31/15	27.02	0.48	0.19	0.67	(0.44)	(4.44)	(4.88)	(4.21)	22.81	2.62	158	0.94 <sup>(11)</sup>	1.05	1.79	18
1/1/14 to 12/31/14	23.30	0.34	7.02	7.36	(0.38)	(3.26)	(3.64)	3.72	27.02	31.98	134	0.91	1.02	1.30	22
4/30/13 <sup>(4)</sup> to 12/31/13	30.96	0.23	(3.08)	(2.85)	(0.50)	(4.31)	(4.81)	(7.66)	23.30	(10.45) <sup>(6)</sup>	102	0.91 <sup>(5)</sup>	0.98 <sup>(5)</sup>	1.23 <sup>(5)</sup>	26 <sup>(9)</sup>
<b>KAR Capital Growth Series</b>															
<b>Class A</b>															
1/1/17 to 12/31/17	\$24.09	(0.05)	8.75	8.70	—	(1.39)	(1.39)	7.31	\$31.40	36.07%	\$224,253	1.03%	1.13%	(0.16)%	21%
1/1/16 to 12/31/16	24.91	— <sup>(12)</sup>	(0.22)	(0.22)	(0.60)	—	(0.60)	(0.82)	24.09	(0.86) <sup>(13)</sup>	185,519	1.04 <sup>(11)(13)</sup>	1.18	(0.10) <sup>(13)</sup>	23
1/1/15 to 12/31/15	22.79	(0.01)	2.13	2.12	—	—	—	2.12	24.91	9.26	210,094	1.04 <sup>(11)</sup>	1.21	(0.04)	19
1/1/14 to 12/31/14	20.41	(0.00)	2.39	2.39	(0.01)	—	(0.01)	2.38	22.79	11.73	217,038	1.03	1.19	(0.01)	29
1/1/13 to 12/31/13	15.82	0.04	4.61	4.65	(0.06)	—	(0.06)	4.59	20.41	29.44	218,264	1.03	1.14	0.19	30

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) <sup>(1)</sup>	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Payment from Affiliate	Change in Net Asset Value	Net Asset Value, End of Period	Total Return <sup>(2)</sup>	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets <sup>(3)</sup>	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) <sup>(3)</sup>	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
<b>KAR Small-Cap Growth Series</b>																
<b>Class A</b>																
1/1/17 to 12/31/17	\$21.61	(0.12)	8.93	8.81	—	(1.76)	(1.76)	—	7.05	\$28.66	40.85%	\$ 79,597	1.19%	1.30%	(0.49)%	18%
1/1/16 to 12/31/16	18.75	(0.06)	4.85	4.79	—	(1.93)	(1.93)	—	2.86	21.61	25.92 <sup>(13)</sup>	63,008	1.20 <sup>(11)(13)</sup>	1.37	(0.37) <sup>(13)</sup>	18
1/1/15 to 12/31/15	20.73	(0.04)	0.23	0.19	—	(2.17)	(2.17)	—	(1.98)	18.75	0.73	55,872	1.20 <sup>(11)</sup>	1.41	(0.17)	18
1/1/14 to 12/31/14	21.72	(0.13)	1.29	1.16	—	(2.15)	(2.15)	—	(0.99)	20.73	5.50	63,483	1.19	1.38	(0.62)	20
1/1/13 to 12/31/13	15.66	(0.12)	6.39	6.27	(0.05)	(0.16)	(0.21)	—	6.06	21.72	40.20	70,948	1.19	1.33	(0.63)	28
<b>Class I</b>																
1/1/17 to 12/31/17	\$21.86	(0.06)	9.04	8.98	—	(1.76)	(1.76)	—	7.22	\$29.08	41.16%	\$ 1,858	0.94%	1.05%	(0.24)%	18%
1/1/16 to 12/31/16	18.90	0.01	4.88	4.89	—	(1.93)	(1.93)	—	2.96	21.86	26.25 <sup>(13)</sup>	353	0.95 <sup>(11)(13)</sup>	1.12	(0.10) <sup>(13)</sup>	18
1/1/15 to 12/31/15	20.82	— <sup>(12)</sup>	0.25	0.25	—	(2.17)	(2.17)	—	(1.92)	18.90	1.01	179	0.96 <sup>(11)</sup>	1.17	(0.02)	18
1/1/14 to 12/31/14	21.75	(0.07)	1.29	1.22	—	(2.15)	(2.15)	—	(0.93)	20.82	5.78	275	0.94	1.14	(0.34)	20
4/30/13 <sup>(4)</sup> to 12/31/13	17.29	(0.03)	4.70	4.67	(0.05)	(0.16)	(0.21)	—	4.46	21.75	26.28 <sup>(6)</sup>	137	0.94 <sup>(5)</sup>	1.07 <sup>(5)</sup>	(0.23) <sup>(5)</sup>	28 <sup>(9)</sup>
<b>KAR Small-Cap Value Series</b>																
<b>Class A</b>																
1/1/17 to 12/31/17	\$16.69	0.05	3.23	3.28	(0.12)	(2.49)	(2.61)	—	0.67	\$17.36	20.16%	\$ 94,638	1.20%	1.34%	0.26%	20%
1/1/16 to 12/31/16	15.17	0.32	3.66	3.98	(0.34)	(2.12)	(2.46)	—	1.52	16.69	26.54 <sup>(13)</sup>	94,966	1.21 <sup>(11)(13)</sup>	1.40	1.85 <sup>(13)</sup>	22
1/1/15 to 12/31/15	17.03	0.09	(0.29)	(0.20)	(0.09)	(1.57)	(1.66)	—	(1.86)	15.17	(1.37)	92,834	1.22 <sup>(11)</sup>	1.43	0.56	16
1/1/14 to 12/31/14	17.72	0.10	0.24	0.34	(0.11)	(0.92)	(1.03)	—	(0.69)	17.03	1.83	113,030	1.20	1.41	0.61	26
1/1/13 to 12/31/13	12.66	0.04	5.11	5.15	(0.09)	—	(0.09)	—	5.06	17.72	40.77	135,352	1.20	1.35	0.25	14
<b>Newfleet Multi-Sector Intermediate Bond Series</b>																
<b>Class A</b>																
1/1/17 to 12/31/17	\$ 9.14	0.41	0.20	0.61	(0.41)	—	(0.41)	—	0.20	\$ 9.34	6.72%	\$133,430	0.93%	0.96%	4.35%	62%
1/1/16 to 12/31/16	8.75	0.44	0.37	0.81	(0.42)	—	(0.42)	—	0.39	9.14	9.29 <sup>(13)</sup>	128,969	0.94 <sup>(11)(13)</sup>	1.00	4.82 <sup>(13)</sup>	68
1/1/15 to 12/31/15	9.25	0.45	(0.56)	(0.11)	(0.39)	—	(0.39)	— <sup>(10)</sup>	(0.50)	8.75	(1.26)	134,558	0.95 <sup>(11)</sup>	1.03	4.89	55
1/1/14 to 12/31/14	9.54	0.48	(0.29)	0.19	(0.48)	—	(0.48)	—	(0.29)	9.25	1.90	154,915	0.94	1.01	4.93	48
1/1/13 to 12/31/13	9.88	0.51	(0.30)	0.21	(0.55)	—	(0.55)	—	(0.34)	9.54	2.25	171,995	0.94	0.96	5.23	56
<b>Class I</b>																
1/1/17 to 12/31/17	\$ 9.12	0.43	0.20	0.63	(0.43)	—	(0.43)	—	0.20	\$ 9.32	7.00%	\$ 1,378	0.68%	0.70%	4.54%	62%
1/1/16 to 12/31/16	8.74	0.47	0.35	0.82	(0.44)	—	(0.44)	—	0.38	9.12	9.46 <sup>(13)</sup>	242	0.69 <sup>(11)(13)</sup>	0.75	5.08 <sup>(13)</sup>	68
1/1/15 to 12/31/15	9.24	0.47	(0.56)	(0.09)	(0.41)	—	(0.41)	— <sup>(10)</sup>	(0.50)	8.74	(1.00)	213	0.70 <sup>(11)</sup>	0.78	5.11	55
1/1/14 to 12/31/14	9.53	0.51	(0.29)	0.22	(0.51)	—	(0.51)	—	(0.29)	9.24	2.16	223	0.69	0.76	5.19	48
4/30/13 <sup>(4)</sup> to 12/31/13	10.19	0.36	(0.44)	(0.08)	(0.58)	—	(0.58)	—	(0.66)	9.53	(0.89) <sup>(6)</sup>	124	0.69 <sup>(5)</sup>	0.71 <sup>(5)</sup>	5.54 <sup>(5)</sup>	56 <sup>(9)</sup>

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) <sup>(1)</sup>	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Return of Capital	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return <sup>(2)</sup>	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets <sup>(3)</sup>	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) <sup>(8)</sup>	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
<b>Rampart Enhanced Core Equity Series</b>																
<b>Class A</b>																
1/1/17 to 12/31/17	\$11.97	0.12	2.58	2.70	(0.21)	(2.39)	(.07)	(2.67)	0.03	\$12.00	22.96%	\$111,386	0.98%	1.16%	0.96%	241%
1/1/16 to 12/31/16	13.67	0.25	1.01	1.26	(0.18)	(2.78)	—	(2.96)	(1.70)	11.97	9.41 <sup>(13)</sup>	104,587	0.99 <sup>(11)(13)</sup>	1.20	1.41 <sup>(13)</sup>	241 <sup>(7)</sup>
1/1/15 to 12/31/15	16.91	0.13	(1.55)	(1.42)	(0.14)	(1.68)	—	(1.82)	(3.24)	13.67	(8.91)	109,913	0.99 <sup>(11)</sup>	1.23	0.83	94
1/1/14 to 12/31/14	17.23	0.16	1.51	1.67	(0.17)	(1.82)	—	(1.99)	(0.32)	16.91	9.64	139,122	0.98	1.20	0.91	53
1/1/13 to 12/31/13	14.23	0.11	4.39	4.50	(0.14)	(1.36)	—	(1.50)	3.00	17.23	31.81	150,383	0.98	1.14	0.84	54
<b>Rampart Equity Trend Series</b>																
<b>Class A</b>																
1/1/17 to 12/31/17	\$11.27	(0.01)	2.31	2.30	—	(0.32)	—	(0.32)	1.98	\$13.25	20.44%	\$ 3,554	1.70%	2.08%	(0.08)%	80%
1/1/16 to 12/31/16	11.38	(0.02)	(0.09)	(0.11)	—	—	—	—	(0.11)	11.27	(0.97)	4,444	1.70 <sup>(11)</sup>	1.92	(0.19)	187
1/1/15 to 12/31/15	12.55	(0.11)	(1.06)	(1.17)	—	—	—	—	(1.17)	11.38	(9.32)	10,932	1.71 <sup>(11)</sup>	2.23	(0.92)	366
1/1/14 to 12/31/14	13.30	0.04	0.27	0.31	(0.05)	(1.01)	—	(1.06)	(0.75)	12.55	2.23	36,680	1.70 <sup>(8)</sup>	1.65	0.32	473
1/1/13 to 12/31/13	10.41	0.06	2.92	2.98	(0.05)	(0.04)	—	(0.09)	2.89	13.30	28.71	18,710	1.70	1.79	0.52	108
<b>Class I</b>																
1/1/17 to 12/31/17	\$11.35	0.02	2.33	2.35	—	(0.32)	—	(0.32)	2.03	\$13.38	20.73%	\$ 144	1.45%	1.85%	0.18%	80%
1/1/16 to 12/31/16	11.43	0.02	(0.10)	(0.08)	—	—	—	—	(0.08)	11.35	(0.70)	119	1.46 <sup>(11)</sup>	1.65	0.20	187
1/1/15 to 12/31/15	12.57	(0.08)	(1.06)	(1.14)	—	—	—	—	(1.14)	11.43	(9.00)	123	1.46 <sup>(11)</sup>	2.06	(0.57)	366
1/1/14 to 12/31/14	13.30	0.05	0.29	0.34	(0.06)	(1.01)	—	(1.07)	(0.73)	12.57	2.39	277	1.45 <sup>(8)</sup>	1.41	0.40	473
4/30/13 <sup>(4)</sup> to 12/31/13	11.69	0.07	1.66	1.73	(0.08)	(0.04)	—	(0.12)	1.61	13.30	14.64 <sup>(6)</sup>	140	1.45 <sup>(5)</sup>	1.50 <sup>(5)</sup>	0.89 <sup>(5)</sup>	108 <sup>(9)</sup>
<b>Strategic Allocation Series</b>																
<b>Class A</b>																
1/1/17 to 12/31/17	\$10.88	0.16	1.89	2.05	(0.23)	(0.08)	—	(0.31)	1.74	\$12.62	18.97%	\$ 97,028	0.98%	1.06%	1.31%	38%
1/1/16 to 12/31/16	12.34	0.24	(0.14)	0.10	(0.21)	(1.35)	—	(1.56)	(1.46)	10.88	0.82 <sup>(13)</sup>	93,276	0.99 <sup>(11)(13)</sup>	1.09	1.96 <sup>(13)</sup>	114
1/1/15 to 12/31/15	14.30	0.25	(0.98)	(0.73)	(0.24)	(0.99)	—	(1.23)	(1.96)	12.34	(5.38)	106,825	0.99 <sup>(11)</sup>	1.13	1.79	75
1/1/14 to 12/31/14	14.41	0.28	0.80	1.08	(0.32)	(0.87)	—	(1.19)	(0.11)	14.30	7.51	129,473	0.98	1.11	1.89	47
1/1/13 to 12/31/13	13.48	0.27	2.13	2.40	(0.29)	(1.18)	—	(1.47)	0.93	14.41	17.99	137,453	0.98	1.06	1.88	49

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**

**Footnote Legend:**

- <sup>(1)</sup> Computed using average shares outstanding.
- <sup>(2)</sup> The total return does not include the expenses associated with the annuity or life insurance policy through which you invest.
- <sup>(3)</sup> Each Series will also indirectly bear its prorated share of expenses of any underlying funds in which it invests. Such expenses are not included in the calculation of this ratio.
- <sup>(4)</sup> Inception date.
- <sup>(5)</sup> Annualized.
- <sup>(6)</sup> Not Annualized.
- <sup>(7)</sup> The increase in the portfolio turnover rate is due to a change in the subadviser associated with a strategy change on the Series.
- <sup>(8)</sup> See Note 3D in the Notes to Financial Statements for information on recapture of expense previously waived.
- <sup>(9)</sup> Portfolio turnover is representative of the Series for the entire period.
- <sup>(10)</sup> Amount is less than \$.005 per share and payment from affiliate had no impact on total performance.
- <sup>(11)</sup> Net expense ratios include proxy expenses.
- <sup>(12)</sup> Amount is less than \$.005 per share.
- <sup>(13)</sup> Custody fees reimbursed were excluded from the Ratio of Net Expenses to Average Net Assets and Ratio of Net Investment Income (Loss) to Average Net Assets. If included the impact would have been to lower the Ratio of Net Expenses and increase the Ratio of Net Investment Income (Loss) as follows:
  - Duff & Phelps International Series 0.04%,
  - Duff & Phelps Real Estate Securities Series 0.02% (Class A) and 0.03% (Class I),
  - KAR Capital Growth Series 0.10%,
  - KAR Small-Cap Growth Series 0.09% (Class A) and 0.14% (Class I),
  - KAR Small-Cap Value Series 0.08%,
  - Newfleet Multi-Sector Intermediate Bond Series 0.04% (Class A) and 0.05% (Class I),
  - Rampart Enhanced Core Equity Series 0.46%,
  - Strategic Allocation Series 0.03%.

Custody fees reimbursed were included in Total Return. If excluded the impact would have been to lower the Total Return as follows:

- Duff & Phelps International Series 0.04%,
- Duff & Phelps Real Estate Securities Series 0.03%,
- KAR Capital Growth Series 0.10%,
- KAR Small-Cap Growth Series 0.08%,
- KAR Small-Cap Value Series 0.08%,
- Newfleet Multi-Sector Intermediate Bond Series 0.04%,
- Rampart Enhanced Core Equity Series 0.44%,
- Strategic Allocation Series 0.03%.

The amounts reflected in the Statements of Operations for 2017 were immaterial and do not impact the financial highlights.

Please refer to Note 14 in the Notes to Financial Statements for a further explanation on the custody fees reimbursed.

# VIRTUS VARIABLE INSURANCE TRUST

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2017

#### Note 1—Organization

Virtus Variable Insurance Trust (the “Trust”) is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended (the “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 reported in this annual report. Each Series’ investment objective is outlined in the respective Series Summary page.

Each Series offers Class A shares. The Duff & Phelps International Series, Duff & Phelps Real Estate Securities Series, KAR Small-Cap Growth Series, Newfleet Multi-Sector Intermediate Bond Series, and Rampart Equity Trend Series also offer Class I shares.

#### Note 2—Significant Accounting Policies

The Trust is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to Investment Companies. The following is a summary of the significant accounting policies consistently followed by the Funds in the preparation of their financial statements, and for derivatives, included in Note 6 below. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) 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 each Series, which include nightly price variance, as well as back-testing items such as bi-weekly unchanged price, monthly secondary source and transaction analysis, have been approved by the Board. All internally fair valued securities are approved by a valuation committee appointed by the Board (the “Valuation Committee”). The Valuation Committee is comprised of certain members of management as identified to the Board and convenes independently from portfolio management. All internally fair valued securities are updated daily and reviewed in detail by the Valuation Committee monthly unless changes occur within the period. The Valuation Committee reviews the validity of any model inputs and any changes to the model. Fair valuations are reviewed by the Board at least quarterly.

Each Series utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The Series’ policy is to recognize transfers between levels at the end of the reporting period.

- Level 1 – quoted prices in active markets for identical securities (security types generally include listed equities).
- 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 a 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 non-U.S. 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 non-U.S. markets close (where the security is principally traded) and the time that a Series calculates its net asset value (“NAV”) (at the close of regular trading on the New York Stock Exchange (“NYSE”), generally 4 p.m. Eastern time) that may impact the value of securities traded in these non-U.S. markets. In such cases the Series fair value non-U.S. securities using an independent pricing service which considers the correlation of the trading patterns of the non-U.S. security to the intraday trading in the U.S. markets for investments such as ADRs, financial futures, exchange-traded funds (“ETFs”), 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 non-U.S. 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 that 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 which are 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 or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

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 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.

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

Investments in open-end mutual funds are valued at NAV. Investments in closed-end funds are valued as of the close of regular trading on the NYSE each business day. Both are categorized as Level 1 in the hierarchy.

A summary of the inputs used to value the Series' net assets by each major security type is disclosed at the end of the Schedule of Investments for each Series. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

**B. Security Transactions and Investment Income**

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

Any distributions from underlying funds are recorded in accordance with the character of the distributions as designated by the underlying funds. Dividend income from REIT investments is recorded using management's estimate of the percentage of income included in distributions received from the REIT investments based on historical information and other industry sources. 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 intention of each Series 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 it invests.

Management of the Trust has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. As of December 31, 2017, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2014 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 that may differ from U.S. GAAP.

**E. Expenses**

Expenses incurred together by a Series and other affiliated open- and closed-end funds are allocated in proportion to the net assets of each such Series/fund, except where allocation of direct expenses to each Series/fund or an alternative allocation method can be more appropriately used.

In addition to the net annual operating expenses that a Series bears directly, the contract owners, as investors in the Series, indirectly bear the Series' pro rata expenses of any underlying open- and closed-end funds in which the Series invests.

**F. Foreign Currency Transactions**

Non-U.S. investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at 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 do not isolate that portion of the results of operations arising from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

**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. Loan agreements are generally non-investment grade and often involve borrowers that are highly leveraged. The Series may invest in obligations of borrowers who are in bankruptcy proceedings. Loan agreements are typically senior in the corporate capital structure of the borrower. A loan is often administered by a bank or other financial institution (the "lender") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. A 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. When investing in loan participations, a 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 participation and only upon receipt by the lender of payments from the borrower. A Series generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Series may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. When a Series purchases assignments from lenders it acquires direct rights against the borrower on the loan.

A Series may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. Loan agreements may involve foreign borrowers and investments may be denominated in foreign currencies. 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. The loan agreements have floating rate loan interests which generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally LIBOR (London Interbank Offered Rate), the prime rate offered by one or more

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

U.S. banks or the certificate of deposit rate. When a loan agreement is purchased a Series may pay an assignment fee. On an ongoing basis, a Series may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan agreement. Prepayment penalty fees are received upon the prepayment of a loan agreement by a borrower. Prepayment penalty, facility, commitment, consent and amendment fees are recorded to income as earned or paid.

**H. When-issued Purchases and Forward Commitments (Delayed Delivery)**

Certain Series may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by a Series to purchase or sell a security at a future date (ordinarily up to 90 days later). When-issued or forward commitments enable a Series to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates. 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.

**I. Earnings Credit and Interest**

Through arrangements with the Series' previous custodian which ended on various dates in September 2017, most Series received either an earnings credit or interest on agreed upon target un-invested cash balances to reduce each Series' custody expenses. The credits are reflected as "Earnings credit from custodian" and the interest is reflected under "Interest income" in the Series' Statements of Operations for the period, as applicable.

**J. Interest-Only and Principal-Only Securities**

Certain Funds may invest in stripped mortgage-backed securities. Stripped mortgage-backed securities represent a participation in, or are secured by, or payable from, mortgage loans on real property, and may be structured in classes with rights to receive varying proportions of principal and interest. Stripped mortgage-backed securities include interest-only securities (IOs) which receive all of the interest, and principal-only securities (POs) which receive all of the principal. The market value of these securities is highly sensitive to changes in interest rates and a rapid (slow) rate of principal payments may have an adverse (positive) effect on yield to maturity. Payments received for IOs are included in interest income.

Because principal will not be received at the maturity of an IO, adjustments are made to the book value of the security on a daily basis until maturity and these adjustments are also included in interest income. Payments received for POs are treated as reductions to the cost and par value of the securities. Any pay down gains or losses associated with the payments received are included in interest income. If the underlying mortgage assets are greater than anticipated payments of principal, a Fund may fail to recoup some or all of its initial investment in these securities.

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

**A. Adviser**

Virtus Investment Advisers, Inc. (the "Adviser"), an indirect wholly owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), is the investment adviser to the Series. The Adviser manages the Series' investment programs and general operations of the Series, including oversight of the Series' subadvisers.

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

<u>Series</u>	<u>First \$250 Million</u>	<u>Next \$250 Million</u>	<u>Over \$500 Million</u>
Duff & Phelps International Series .....	0.75%	0.70%	0.65%
KAR Capital Growth Series .....	0.70	0.65	0.60
Newfleet Multi-Sector Intermediate Bond Series .....	0.50	0.45	0.40
Rampart Enhanced Core Equity Series .....	0.70	0.65	0.60
Strategic Allocation Series .....	0.55	0.50	0.45
	<u>First \$1 Billion</u>	<u>Next \$1 Billion</u>	<u>Over \$2 Billion</u>
Duff & Phelps Real Estate Securities Series .....	0.75%	0.70%	0.65%
	<u>First \$1 Billion</u>	<u>\$1+ Billion</u>	
KAR Small-Cap Growth Series .....	0.85%	0.80%	
	<u>First \$400 Million</u>	<u>\$400 Million to \$1 Billion</u>	<u>Over \$1 Billion</u>
KAR Small-Cap Value Series .....	0.90%	0.85%	0.80%
		<u>Rate</u>	
Rampart Equity Trend Series .....		1.00%	

During the period covered by these financial statements, each of Newfleet Multi-Sector Intermediate Bond Series and Strategic Allocation Series invested a portion of its assets in Virtus Newfleet Credit Opportunities Fund, an affiliated mutual fund. In order to avoid any duplication of advisory

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

fees, the Adviser has voluntarily waived its advisory fees in an amount equal to that which would otherwise be paid by the Series on the assets invested in the Virtus Newfleet Credit Opportunities Fund. For the period covered by these financial statements, the waivers amounted to \$15 and \$2, respectively. These waivers are in addition to the expense limitation and/or fee waiver covered elsewhere in these financial statements and are included in the Statements of Operations in “expenses reimbursed and/or waived by investment adviser.”

**B. Subadvisers**

The subadvisers manage the investments of each Series for which they are paid a fee by the Adviser. A list of the subadvisers and the Series they serve is as follows:

<u>Series</u>	<u>Subadviser</u>	<u>Series</u>	<u>Subadviser</u>
Duff & Phelps International Series	Duff & Phelps Investment Management Co. (“DPIM”)*	Rampart Enhanced Core Equity Series	Rampart Investment Management Company, LLC* (“RIMCO”)
Duff & Phelps Real Estate Securities Series	DPIM*	Rampart Equity Trend Series	RIMCO*
KAR Capital Growth Series	Kayne Anderson Rudnick Investment Management, LLC (“KAR”)*	Strategic Allocation Series: Equity Portfolio (domestic) Equity Portfolio (international) Fixed Income Portfolio	KAR* DPIM* NF*
KAR Small-Cap Growth Series	KAR*		
KAR Small-Cap Value Series	KAR*		
Newfleet Multi-Sector Intermediate Bond Series	Newfleet Asset Management, LLC (“NF”)*		

\* An indirect wholly owned subsidiary of Virtus.

**C. Expense Limits**

The Adviser has contractually agreed to limit the total operating expenses (excluding front-end or contingent deferred loads, taxes, leverage expenses, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, unusual or infrequently occurring expenses (such as litigation), acquired fund fees and expenses, and dividend expenses, if any) of each Series, so that such expenses do not exceed, on an annualized basis, the following percentages of average net assets, through April 30, 2018:

	<u>Maximum Total Operating Expenses</u>	
	<u>Class A</u>	<u>Class I</u>
Duff & Phelps International Series . . . . .	1.18%	0.93%
Duff & Phelps Real Estate Securities Series . . . . .	1.16	0.91
KAR Capital Growth Series . . . . .	1.03	—
KAR Small-Cap Growth Series . . . . .	1.19	0.94
KAR Small-Cap Value Series . . . . .	1.20	—
Newfleet Multi-Sector Intermediate Bond Series . . . . .	0.94	0.69
Rampart Enhanced Core Equity Series . . . . .	0.98	—
Rampart Equity Trend Series . . . . .	1.70	1.45
Strategic Allocation Series . . . . .	0.98	—

**D. Expense Recapture**

Under certain conditions, the Adviser may recapture operating expenses reimbursed or fees waived under these arrangements within three years after the date on which such amounts were incurred or waived. A Series must pay its ordinary operating expenses before the Adviser is entitled to any reimbursement and must remain in compliance with applicable expense limitations or, if none, the expense limitation in effect at the time of the waiver or reimbursement. All or a portion of the following Adviser reimbursed expenses may be recaptured by the fiscal year ending:

	<u>Expiration Date</u>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Duff & Phelps International Series . . . . .	\$265	\$126	\$ 63	\$454
Duff & Phelps Real Estate Securities Series . . . . .	105	72	40	217
KAR Capital Growth Series . . . . .	375	275	212	862
KAR Small-Cap Growth Series . . . . .	126	100	82	308
KAR Small-Cap Value Series . . . . .	219	172	134	525
Newfleet Multi-Sector Intermediate Bond Series . . . . .	118	71	26	215
Rampart Enhanced Core Equity Series . . . . .	300	209	196	705
Rampart Equity Trend Series . . . . .	103	13	16	132
Strategic Allocation Series . . . . .	168	102	75	345

**E. Administrator and Distributor**

Virtus Fund Services, LLC, an indirect wholly owned subsidiary of Virtus, serves as administrator to the Series.

For the year ended December 31, 2017 (the “period”), the Series incurred administration fees totaling \$920 which are included in the Statements of Operations within the line item “Administration fees.” A portion of these fees was paid to an outside entity that also provides services to the Series.

VP Distributors, LLC (“VP Distributors”), an indirect wholly owned subsidiary of Virtus, serves as the distributor of each Series’ shares. Each Series pays VP Distributors distribution and/or service fees under a Board-approved Rule 12b-1 plan, at the annual rate of 0.25% of the average daily net



**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

assets of such Series' Class A shares. Class I shares are not subject to a Rule 12b-1 plan. For the period ended December 31, 2017, the Series incurred distribution fees totaling \$2,433 which are included in the Statements of Operations within the line item "Distribution and service fees." A portion of these fees was paid to certain insurance companies for marketing and/or shareholder services provided to contract owners.

**F. Affiliated Accounts**

At December 31, 2017, Virtus and its affiliates, and the retirement plans of Virtus and its affiliates, held shares of certain Series which may be redeemed at any time, that aggregated to the following:

	<u>Shares</u>	<u>Aggregate Net Asset Value</u>
Duff & Phelps International Series Class I .....	8,033	\$100
Duff & Phelps Real Estate Securities Series Class I .....	7,192	138
KAR Small-Cap Growth Series Class I .....	8,270	240
Newfleet Multi-Sector Intermediate Bond Series Class I .....	12,598	118
Rampart Equity Trend Series Class I .....	9,571	128

**G. Investments in Affiliates**

A summary of the total long-term and short-term purchases and sales of an affiliated fund, Virtus Newfleet Credit Opportunities Fund, during the period ended December 31, 2017, is as follows:

	<u>Value, beginning of period</u>	<u>Purchases</u>	<u>Sales Proceeds</u>	<u>Net realized gain (loss) on affiliated fund</u>	<u>Net change in unrealized appreciation (depreciation) on affiliated fund</u>	<u>Value, end of period</u>	<u>Dividend Income</u>	<u>Distributions of Realized Gains</u>
Newfleet Multi-Sector Intermediate Bond Series .....	\$3,074	\$—	\$—	\$—	\$(72)	\$3,002	\$188	\$—
Strategic Allocation Series .....	332	—	—	—	(8)	324	20	—

**H. Trustee Compensation**

The Trust provides a deferred compensation plan for its Trustees who receive compensation from the Trust. Under the deferred compensation plan, 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 affiliated or unaffiliated mutual funds selected by the participating Trustees. Investments in such instruments are included in "Other Assets" on the Statement of Assets and Liabilities at December 31, 2017.

**Note 4—Purchases and Sales of Securities**  
(\$ reported in thousands)

Purchases and sales of securities (excluding U.S. Government and agency securities, forward currency contracts, written options, and short-term investments) during the period ended December 31, 2017, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Duff & Phelps International Series .....	\$143,826	\$154,480
Duff & Phelps Real Estate Securities Series .....	18,954	24,397
KAR Capital Growth Series .....	44,129	62,944
KAR Small-Cap Growth Series .....	12,053	21,020
KAR Small-Cap Value Series .....	18,004	30,851
Newfleet Multi-Sector Intermediate Bond Series .....	71,735	72,622
Rampart Enhanced Core Equity Series .....	252,138	263,635
Rampart Equity Trend Series .....	3,198	4,800
Strategic Allocation Series .....	33,338	43,553

Purchases and sales of long-term U.S. Government and agency securities during the period ended December 31, 2017, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Newfleet Multi-Sector Intermediate Bond Series .....	\$11,688	\$9,379
Strategic Allocation Series .....	2,975	3,833

**Note 5—Credit Risk and Asset Concentration**

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.

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

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/high-risk 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 ETFs, which may expose the Series to 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 the pursuit of their investment objectives. Fluctuations in these sectors of concentration may have a greater impact on a Series, positive or negative, than if the Series did not concentrate its investments in such sectors.

At December 31, 2017, the Series below held securities in specific sectors as detailed below:

<u>Series</u>	<u>Sector</u>	<u>Percentage of Total Investments</u>
Duff & Phelps International Series .....	Financials	29%
KAR Capital Growth Series .....	Information Technology	42
KAR Small-Cap Growth Series .....	Information Technology	28

**Note 6—Derivative Financial Instruments and Transactions**  
(\$ reported in thousands)

Disclosures about derivative instruments and hedging activities are intended to enable investors to understand how and why a Series uses derivatives, how derivatives are accounted for, and how derivative instruments affect a Series' results of operations and financial position. Summarized below are such disclosures and accounting policies for each specific type of derivative instrument used by certain Series.

*Forward Currency Contracts:* A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Forward foreign currency exchange contracts, when used by a Series, help to manage the overall exposure to the currencies in which some of the investments held by the Series are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Series as an unrealized appreciation or depreciation. When the contract is closed, the Series records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward foreign currency exchange contracts involves the risk that the value of the contract changes unfavorably due to movements in the value of the referenced foreign currencies. Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in U.S. dollars without the delivery of foreign currency.

During the fiscal period, the Duff & Phelps International Series entered into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). Forward foreign currency contracts outstanding at period end, if any, are listed after each Series' Schedule of Investments.

These foreign currency contracts were executed under the ISDA 2002 Master Agreement without any Schedule thereto and without the requirement of posting any collateral to the counterparty.

The following is a summary of the Series' foreign currency exchange contracts which have a primary risk exposure as of December 31, 2017:

<u>Statements of Assets and Liabilities</u>		<u>Statements of Operations</u>	
<b>Assets</b>		Net realized gain (loss) on forward foreign currency exchange contracts .....	
Unrealized appreciation on forward foreign currency exchange contracts .....	\$—		\$(1,143)
<b>Liabilities</b>		Net Change in Unrealized Appreciation / (Depreciation) on forward foreign currency exchange contracts .....	
Unrealized depreciation on forward foreign currency exchange contracts .....	—		(496)
	\$—		<u>\$(1,639)</u>

For the period ended December 31, 2017, the average daily cost of foreign currency exchange contracts purchased were \$18,197 and the average daily cost of foreign currency exchange contracts sold were \$21,293.

*Options Contracts:* An options contract provides the purchaser with the right, but not the obligation, to buy (call option) or sell (put option) a financial instrument at an agreed-upon price. Certain Series may purchase or write both put and call options on portfolio securities for hedging purposes or to facilitate the rapid implementation of investment strategies if the Series anticipates a significant market or sector advance. A Series doing so is subject to equity price risk in the normal course of pursuing its investment objective(s).

When a Series purchases an option, it pays a premium and an amount equal to that premium is recorded as an asset. When a Series writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The asset or liability is adjusted daily to reflect the current market value of the option. Holdings of the Series designated to cover outstanding written options are noted in the Schedules of Investments. Purchased options are reported as an asset within "Investment in unaffiliated securities at value" on the Statements of Assets and Liabilities. Options written are reported as a liability within "Written options at value." Changes in value of the purchased option are included in "Net change in unrealized appreciation (depreciation) on investments" in the Statements of Operations. Changes in value of written options are included in "Net change in unrealized appreciation (depreciation) on written options" in the Statements of Operations.

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

If an option expires unexercised, the Series realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is recorded as an adjustment to the proceeds from the sale or the cost basis of the purchase. The difference between the premium and the amount received or paid on effecting a closing purchase or sale transaction is also treated as a realized gain or loss. Gain or loss on purchased options is included in "Net realized gain (loss) on investments" in the Statements of Operations. Gain or loss on written options is presented separately as "Net realized gain (loss) on written options" in the Statements of Operations.

The risk in writing call options is that the Series gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in writing put options is that the Series may incur a loss if the market price of the security decreases and the option is exercised. The risk in buying options is that the Series pays a premium whether or not the option is exercised. The use of such instruments may involve certain additional risks as a result of unanticipated movements in the market. Writers (sellers) of options are subject to unlimited risk of loss, as the seller will be obligated to deliver or take delivery of the security at a predetermined price which may, upon exercise of the option, be significantly different from the then-market value.

The Rampart Enhanced Core Equity Series invests in written covered call options contracts in an attempt to manage equity price risk and with the purpose of generating realized gains.

The following is a summary of the Rampart Enhanced Core Equity Series' derivative instrument holdings categorized by primary risk exposure (equity contracts) in the financial statements as of December 31, 2017:

<u>Statements of Assets and Liabilities</u>	<u>Rampart Enhanced Core Equity</u>	<u>Statements of Operations</u>	<u>Rampart Enhanced Core Equity</u>
Assets: Purchased options at value .....	\$ 88 <sup>(1)</sup>	Net realized gain (loss) on purchased options .....	\$(4,640) <sup>(2)</sup>
Liabilities: Written options at value .....	(161)	Net realized gain (loss) on written options .....	8,254
Net asset (liability) balance .....	<u>\$ (73)</u>	Net change in unrealized appreciation (depreciation) on purchased options .....	(56) <sup>(3)</sup>
		Net change in unrealized appreciation (depreciation) on written options .....	114
		Total net realized and unrealized gain (loss) .....	<u>\$ 3,672</u>

<sup>(1)</sup> Amount included in Investment in unaffiliated securities at value.

<sup>(2)</sup> Amount included in Net realized gain (loss) on unaffiliated investments.

<sup>(3)</sup> Amount included in Net change in unrealized appreciation (depreciation) on unaffiliated investments.

For the period ended December 31, 2017, Rampart Enhanced Core Equity Series' average daily premiums paid by the Series for purchased options were \$152 and the average daily premiums received for written options by the Series were \$315.

**Note 7—Indemnifications**

Under the Trust's organizational documents and in separate agreements between each Trustee and the Trust, its Trustees and officers are indemnified against certain liabilities arising out of the performance of their duties to the Trust and its Series. In addition, in the normal course of business, the Trust and the Series enter into contracts that provide a variety of indemnifications to other parties. The Trust's and/or the Series' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust or the Series and that have not occurred. However, neither the Trust nor the Series has had prior claims or losses pursuant to these arrangements and they each expect the risk of loss to be remote.

**Note 8—Manager of Managers**

The Trust and the Adviser have received an exemptive order from the SEC that permits the Adviser, subject to certain conditions and without the approval of shareholders to: (a) select both unaffiliated subadvisers and certain wholly-owned affiliated subadvisers to manage all or a portion of the assets of a Series, and enter into subadvisory agreements with such subadvisers, and (b) materially amend subadvisory agreements with such subadvisers. In such circumstances, shareholders would receive notice of such action.

**Note 9—Mixed and Shared Funding**

Shares of the Series are not directly offered to the public. Shares of the Series 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 U.S. 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 Series, or shares of another Series may be substituted.

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

**Note 10—Federal Income Tax Information**  
(\$ reported in thousands)

At December 31, 2017, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by each Series were as follows:

Series	Federal Tax Cost	Unrealized Appreciation	Unrealized (Depreciation)	Net Unrealized Appreciation (Depreciation)
Duff & Phelps International Series	\$159,387	\$ 29,032	\$(4,772)	\$ 24,260
Duff & Phelps Real Estate Securities Series	54,564	24,001	(985)	23,016
KAR Capital Growth Series	120,365	104,814	(733)	104,081
KAR Small-Cap Growth Series	41,027	40,826	(165)	40,661
KAR Small-Cap Value Series	61,048	35,162	(1,505)	33,657
Newfleet Multi-Sector Intermediate Bond Series	133,417	3,615	(3,559)	56
Rampart Enhanced Core Equity Series (Including Purchased Options)	99,568	13,258	(1,827)	11,431
Rampart Enhanced Core Equity Series (Written Options)	(161)	—	—	—
Rampart Equity Trend Series	2,886	842	(18)	824
Strategic Allocation Series	83,281	14,680	(970)	13,710

Certain Series have capital loss carryovers available to offset future realized capital gains, through the indicated expiration dates shown below:

Series	No Expiration		Total
	Short-Term	Long-Term	
Duff & Phelps International Series	\$9,367	\$ —	\$9,367
Newfleet Multi-Sector Intermediate Bond Series	101	2,619	2,720
Rampart Equity Trend Series	2,636	—	2,636

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses recognized for tax years beginning after December 22, 2010, may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses. Capital loss carryover may be subject to limits on use of losses.

For the year ended December 31, 2017, the following Series utilized losses deferred in prior years against current year capital gains:

Duff & Phelps International Series	\$3,706
KAR Capital Growth Series	5,033
Newfleet Multi-Sector Intermediate Bond Series	314
Rampart Equity Trend Series	143

For the year ended December 31, 2017, the following Series had capital loss carryovers which expired:

Newfleet Multi-Sector Intermediate Bond Series	\$1,228
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Capital losses realized after October 31 and certain late year losses may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended December 31, 2017, the following Series deferred and recognized qualified late year losses as follows:

	Late Year Ordinary Losses Deferred	Late Year Ordinary Losses Recognized	Capital Loss Deferred	Capital Loss Recognized
Newfleet Multi-Sector Intermediate Bond Series	\$—	\$—	\$27	\$718
Rampart Equity Trend Series	—	—	—	18

The components of distributable earnings on a tax basis (excluding unrealized appreciation (depreciation) which are disclosed in the beginning of this note) consist of the following:

	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains
Duff & Phelps International Series	\$1,674	\$ —
Duff & Phelps Real Estate Securities Series	309	1,108
KAR Capital Growth Series	—	4,516
KAR Small-Cap Growth Series	93	2,596
KAR Small-Cap Value Series	212	2,088
Newfleet Multi-Sector Intermediate Bond Series	233	—
Rampart Enhanced Core Equity Series	—	—
Rampart Equity Trend Series	1	26
Strategic Allocation Series	298	462

The differences between the book and tax basis components of distributable earnings relate principally to the timing of recognition of income and gains for federal income tax purposes. Short-term gain distributions reported in the Statements of Changes in Net Assets, if any, are reported as ordinary income for federal tax purposes. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest.

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

The tax character of dividends and distributions paid during the years ended December 31, 2017, and 2016 was as follows:

		Ordinary Income	Long-Term Capital Gains	Return of Capital	Total
Duff & Phelps International Series	2017	\$ 2,826	\$ —	\$ —	\$ 2,826
	2016	1,467	36,155	—	37,622
Duff & Phelps Real Estate Securities Series	2017	1,692	6,887	—	8,579
	2016	2,001	12,250	—	14,251
KAR Capital Growth Series	2017	—	9,483	—	9,483
	2016	4,514	—	—	4,514
KAR Small-Cap Growth Series	2017	445	4,302	—	4,747
	2016	677	4,633	—	5,310
KAR Small-Cap Value Series	2017	1,924	11,091	—	13,015
	2016	2,427	10,074	—	12,501
Newfleet Multi-Sector Intermediate Bond Series	2017	5,793	—	—	5,793
	2016	5,851	—	—	5,851
Rampart Enhanced Core Equity Series	2017	15,209	5,334	531	21,074
	2016	1,666	19,641	—	21,307
Rampart Equity Trend Series	2017	—	88	—	88
	2016	—	—	—	—
Strategic Allocation Series	2017	1,796	646	—	2,442
	2016	1,648	10,307	—	11,955

For financial reporting purposes, book basis capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Permanent reclassifications can arise from differing treatment of certain income and gain transactions, nondeductible current year net operating losses, expiring capital loss carryovers and investments in passive foreign investment companies. The reclassifications have no impact on the net assets or net asset value of the Series. As of December 31, 2017, the Series recorded reclassifications to increase (decrease) the accounts as listed below:

	Capital Paid In on Shares of Beneficial Interest	Accumulated Net Realized Gain (Loss)	Undistributed Net Investment Income (Loss)
Duff & Phelps International Series	\$ —	\$ (349)	\$ 349
Duff & Phelps Real Estate Securities Series	—	—	—
KAR Capital Growth Series	(304)	55	249
KAR Small-Cap Growth Series	(1)	(313)	314
KAR Small-Cap Value Series	—	(89)	89
Newfleet Multi-Sector Intermediate Bond Series	(1,216)	1,464	(248)
Rampart Enhanced Core Equity Series	— <sup>(1)</sup>	(65)	65
Rampart Equity Trend Series	(3)	—	3
Strategic Allocation Series	— <sup>(1)</sup>	(67)	67

<sup>(1)</sup> Amount is less than \$500.

**Note 11—Illiquid and Restricted Securities**

Investments are generally considered illiquid if they cannot be disposed of within 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 liquidity: 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.

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

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

The following Series held securities considered to be illiquid at December 31, 2017:  
(\$ reported in thousands)

Series	Aggregate Value	% of Series' Net Assets
Newfleet Multi-Sector Intermediate Bond Series	\$157	0.1%
Strategic Allocation Series	1	0.0

At December 31, 2017, the Series did not hold any securities that were illiquid and restricted except as noted in the table above.

**VIRTUS VARIABLE INSURANCE TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**DECEMBER 31, 2017**

**Note 12—10% Shareholders**

As of December 31, 2017, each Series had individual shareholder account(s) (comprised of participating insurance companies to fund variable accumulation annuity contracts and variable universal life insurance policies), which individually amounted to more than 10% of the total shares outstanding of each such Series as detailed below:

	<u>% of Total Shares Outstanding</u>	<u>Number of Accounts</u>
Duff & Phelps International Series . . . . .	98%	2
Duff & Phelps Real Estate Securities Series . . . . .	87	2
KAR Capital Growth Series . . . . .	100	2
KAR Small-Cap Growth Series . . . . .	99	2
KAR Small-Cap Value Series . . . . .	100	2
Newfleet Multi-Sector Intermediate Bond Series . . . . .	97	4
Rampart Enhanced Core Equity Series . . . . .	99	2
Rampart Equity Trend Series . . . . .	96	3
Strategic Allocation Series . . . . .	100	2

**Note 13—Borrowings**

**(\$ reported in thousands)**

On September 18, 2017, the Series and other affiliated funds entered into a \$150,000 unsecured line of credit. This Credit Agreement is with a commercial bank that allows the Series to borrow cash from the bank to manage large unexpected redemptions and trade fails, up to a limit of one-third or one-fifth of each Series' total net assets in accordance with the terms of the agreement. This Credit Agreement has a term of 364 days. Interest is charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. The Series and other affiliated funds that are parties are individually, and not jointly, liable for their particular advances, if any, under the line of credit. The lending bank has the ability to require repayment of outstanding borrowings under this Credit Agreement upon certain circumstances such as an event of default.

On June 29, 2016, the Series and other affiliated funds renewed a \$50,000 secured line of credit. This Credit Agreement was with a commercial bank that allowed the Series to borrow cash from the bank to manage large unexpected redemptions and trade fails, up to a limit of one-third of each Series' total net assets in accordance with the terms of the agreement. This Credit Agreement had a term of 364 days and was renewable by the Series with the bank's consent and approval of the Board. Interest was charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees were charged on the undrawn balance. The Series and other affiliated funds that were parties were individually, and not jointly, liable for their particular advances, if any, under the line of credit. The lending bank had the ability to require repayment of outstanding borrowings under this Credit Agreement upon certain circumstances such as an event of default. On June 14, 2017, the term of this Credit Agreement was extended for an additional 90 days. Effective September 18, 2017, this Credit Agreement was terminated and replaced by a new credit facility.

The Series had no outstanding borrowings at any time during the period ended December 31, 2017.

**Note 14—Custody Fees Reimbursed**

State Street Bank & Trust, custodian for some of the Series through January 29, 2010, reimbursed the Series for out-of-pocket custody expenses overbilled for the period 1998 through January 29, 2010. Amounts were reimbursed during both fiscal years ended 2016 and 2017. The amounts reimbursed, including interest, are shown in the Statement of Operations under "Custody fees reimbursed."

**Note 15—Regulatory Matters and Litigation**

From time to time, the Trust, the Series, the Series' Adviser and/or subadvisers and/or their affiliates may be involved in litigation and arbitration as well as examinations and investigations by various regulatory bodies, including the SEC, involving compliance with, among other things, securities laws, client investment guidelines, laws governing the activities of broker-dealers and other laws and regulations affecting their products and other activities. At this time, the Series' Adviser believes that the outcomes of such matters are not likely, either individually or in aggregate, to be material to these financial statements.

**Note 16—Recent Accounting Pronouncements**

In October 2016, the SEC released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. The financial statements presented are in compliance with the most recent Regulation S-X amendments.

In March 2017, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2017-08, Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities (the "ASU") which amends the amortization period for certain purchased callable debt securities held at a premium, shortening such period to the earliest call date. The ASU does not require any accounting change for debt securities held at a discount; the discount continues to be amortized to maturity. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. At this time, management is evaluating the implications of these changes on the financial statements.

**Note 17—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.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Virtus Variable Insurance Trust and Shareholders of Virtus Duff & Phelps International Series, Virtus Duff & Phelps Real Estate Securities Series, Virtus KAR Capital Growth Series, Virtus KAR Small-Cap Growth Series, Virtus KAR Small-Cap Value Series, Virtus Newfleet Multi-Sector Intermediate Bond Series, Virtus Rampart Enhanced Core Equity Series, Virtus Rampart Equity Trend Series and Virtus Strategic Allocation Series

### ***Opinions on the Financial Statements***

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Virtus Duff & Phelps International Series, Virtus Duff & Phelps Real Estate Securities Series, Virtus KAR Capital Growth Series, Virtus KAR Small-Cap Growth Series, Virtus KAR Small-Cap Value Series, Virtus Newfleet Multi-Sector Intermediate Bond Series, Virtus Rampart Enhanced Core Equity Series, Virtus Rampart Equity Trend Series and Virtus Strategic Allocation Series (constituting Virtus Variable Insurance Trust, hereafter collectively referred to as the “Funds”) as of December 31, 2017, the related statements of operations for the year ended December 31, 2017, the statements of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the periods indicated therein (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2017, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period ended December 31, 2017 and each of the financial highlights for each of the periods indicated therein in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinions***

These financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodians, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania  
February 23, 2018

We have served as the auditor of one or more investment companies in Virtus Variable Insurance Trust since 1982.

**VIRTUS VARIABLE INSURANCE TRUST  
TAX INFORMATION NOTICE (UNAUDITED)  
DECEMBER 31, 2017**

For the fiscal year ended December 31, 2017, the Series make the following disclosures for federal income tax purposes: the percentages of ordinary income dividends earned by the Series which qualify for the dividends received deduction ("DRD") for corporate shareholders; the actual percentage of DRD for the calendar year will be designated in year-end tax statements. The Series designate the amounts below as long-term capital gains dividends ("LTCG") taxable at a 20% rate, or lower depending on the shareholder's income (\$ reported in thousands). LTCG amounts, if subsequently different, will be designated in the next annual report.

	<u>DRD</u>	<u>LTCG</u>
Duff & Phelps International Series .....	1%	\$ —
Duff & Phelps Real Estate Securities Series .....	—	5,426
KAR Capital Growth Series .....	—	13,999
KAR Small-Cap Growth Series .....	100	6,642
KAR Small-Cap Value Series .....	100	10,228
Newfleet Multi-Sector Intermediate Bond Series .....	—	—
Rampart Enhanced Core Equity Series .....	12	2,793
Rampart Equity Trend Series .....	100	114
Strategic Allocation Series .....	22	806



## CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES

The Board of Trustees (the “Board”) of Virtus Variable Insurance Trust (the “Trust”) is responsible for determining whether to approve the continuation of the investment advisory agreement (the “Advisory Agreement”) between the Trust and Virtus Investment Advisers, Inc. (“VIA”) and of each subadvisory agreement (each, a “Subadvisory Agreement” and collectively, the “Subadvisory Agreements”) (together with the Advisory Agreement, the “Agreements”) with respect to the series (individually and collectively, the “Series”) of the Trust. At in-person meetings held on November 3, 2017 and November 15-16, 2017 (the “Meetings”), the Board, including a majority of the Trustees who are not interested persons of the Trust as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (such Act, the “1940 Act” and such Trustees, the “Independent Trustees”), considered and approved the continuation of each Agreement due for renewal as further discussed below. In addition, prior to the Meetings, the Independent Trustees met with their independent legal counsel to discuss and consider the information provided by management and submitted questions to management, and they considered the responses provided.

In connection with the approval of the Agreements, the Board requested and evaluated information provided by VIA and each subadviser (each, a “Subadviser” and collectively, the “Subadvisers”) which, in the Board’s view, constituted information necessary for the Board to form a judgment as to whether the renewal of each of the Agreements would be in the best interests of each applicable Series and its respective shareholders. The Board also considered information furnished throughout the year at regular Board meetings with respect to the services provided by VIA and the Subadvisers, including quarterly performance reports prepared by management containing reviews of investment results and periodic presentations from the Subadvisers with respect to the Series they manage. The Board noted the affiliation of the Subadvisers with VIA and any potential conflicts of interest.

The Board was separately advised by independent legal counsel throughout the process. For each Agreement, the Board considered all the criteria separately with respect to the applicable Series and its shareholders. In their deliberations, the Board 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 Independent Trustees also discussed the proposed approval of the Agreements in private sessions with their independent legal counsel at which no representatives of management were present.

In considering whether to approve the renewal of the Agreements with respect to each Series, the Board reviewed and analyzed the factors it deemed relevant, including: (1) the nature, extent and quality of the services to be provided to the Series by VIA and each of the Subadvisers; (2) the performance of the Series as compared to an appropriate peer group and an appropriate index; (3) the level and method of computing each Series’ advisory and subadvisory fees, and comparisons of the Series’ advisory fee rates with those of a group of funds with similar investment objective(s); (4) the profitability of VIA under the Advisory Agreement; (5) any “fall-out” benefits to VIA, the Subadvisers and their affiliates (*i.e.*, ancillary benefits realized by VIA, the Subadvisers or their affiliates from VIA’s or the applicable Subadviser’s relationship with the Trust); (6) the anticipated effect of growth in size on each Series’ performance and expenses; (7) fees paid to VIA and the Subadvisers by comparable accounts, as applicable; (8) possible conflicts of interest; and (9) the terms of the Agreements.

**Nature, Extent and Quality of Services.** The Trustees received in advance of the Meetings information provided by VIA and each Subadviser, including completed questionnaires concerning a number of topics, including such company’s investment philosophy, resources, operations and compliance structure. The Trustees also received a presentation by VIA’s senior management personnel, during which among other items, VIA’s history, investment process, investment strategies, personnel, compliance procedures and the firm’s overall performance were reviewed and discussed. The Trustees noted that the Series are managed using a “manager of managers” structure that generally involves the use of one or more subadvisers to manage some or all of a Series’ portfolio. Under this structure, VIA is responsible for oversight of the Series’ investment programs and day-to-day operations and for evaluating and selecting subadvisers on an ongoing basis and making any recommendations to the Board regarding hiring, retaining or replacing subadvisers. In considering the Advisory Agreement with VIA, the Board considered VIA’s process for supervising and managing subadvisers, including (a) VIA’s ability to select and monitor the subadvisers; (b) VIA’s ability to provide the services necessary to monitor the subadvisers’ compliance with the Series’ respective investment objective(s), policies and restrictions as well as provide other oversight activities; and (c) VIA’s ability and willingness to identify instances in which a subadviser should be replaced and to carry out the required changes. The Trustees also considered: (a) the experience and capability of VIA’s management and other personnel; (b) the financial condition of VIA, and whether it had the financial wherewithal to provide a high level and quality of services to the Series; (c) the quality of VIA’s own regulatory and legal compliance policies, procedures and systems; (d) the nature, extent and quality of administrative and other services provided by VIA and its affiliates to the Series; (e) VIA’s supervision of the Series’ other service providers; and (f) VIA’s risk management processes. It was noted that affiliates of VIA serve as administrator and distributor to the Series. The Board also took into account its knowledge of VIA’s management and the quality of the performance of VIA’s duties through Board meetings, discussions and reports during the preceding year, as well as information from the Trust’s Chief Compliance Officer regarding the Series’ compliance policies and procedures established pursuant to Rule 38a-1 under the 1940 Act.

With respect to the services provided by each of the Subadvisers, the Board considered information provided to the Board by each Subadviser, including each Subadviser’s Form ADV, as well as information provided throughout the past year. With respect to the Subadvisory Agreements, the Board noted that each Subadviser provided portfolio management, compliance with the respective Series’ investment policies and procedures, compliance with applicable securities laws and assurances thereof. The Board also noted that VIA’s and the Subadvisers’ management of the Series is subject to the oversight of the Board and must be carried out in accordance with the investment objectives, policies and restrictions set forth in the Series’ prospectuses and statement of additional information. In considering the renewal of the Subadvisory Agreements, the Board also considered each Subadviser’s investment management process, including (a) the experience and capability of the Subadviser’s management and other personnel committed by the Subadviser to the respective Series; (b) the financial condition of the Subadviser; (c) the quality of the Subadviser’s regulatory and legal compliance policies, procedures and systems; and (d) the Subadviser’s brokerage and trading practices, including with respect to best execution and soft dollars. The Board also took into account each Subadviser’s risk assessment and monitoring process. The Board noted each Subadviser’s regulatory history, including whether it was currently involved in any regulatory actions or investigations as well as material litigation, and any settlements and amelioratory actions undertaken, as appropriate.

## CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)

After considering all of the information provided to them, the Trustees concluded that the nature, extent and quality of the services provided by VIA and each Subadviser were satisfactory and that there was a reasonable basis on which to conclude that each would continue to provide a high quality of investment services to the applicable Series.

**Investment Performance.** The Board considered performance reports and discussions at Board meetings throughout the year, as well as a report (the “Lipper Report”) for the Series prepared by Broadridge, an independent third party provider of investment company data, furnished in connection with the contract renewal process. The Lipper Report presented each Series’ performance relative to a peer group of other mutual funds (the “Performance Universe”) and relevant indexes, as selected by Broadridge. The Board also considered performance information presented by management and took into account management’s discussion of the same, including the effect of market conditions on each Series’ performance. The Board evaluated each Series’ performance in the context of the considerations that a “manager of managers” structure requires. The Board noted that it also reviews on a quarterly basis detailed information about the Series’ performance results and portfolio composition, as well as each Subadviser’s investment strategy. The Board noted VIA’s expertise and resources in monitoring the performance, investment style and risk-adjusted performance of each Subadviser. The Board also noted each Subadviser’s performance record with respect to the Series it subadvisees. The Board was mindful of VIA’s focus on each Subadviser’s performance and noted VIA’s performance in monitoring and responding to any performance issues with respect to the Series. The Board also took into account its discussions with management regarding factors that contributed to the performance of each Series.

The Board considered, among other performance data, the information set forth below with respect to the performance of each Series for the period ended June 30, 2017:

**Virtus Duff & Phelps International Series.** The Board noted that the Series underperformed the median of its Performance Universe and underperformed its benchmark for the 1-, 3-, 5- and 10-year periods. The Board took into account management’s discussion of the Series’ performance, including the Subadviser’s investment style in the current market environment and actions taken to address the Series’ performance, including the replacement of the Series’ subadviser in November 2015 before the Series’ portfolio manager moved from one affiliated subadviser to another in September 2016. The Board also noted that because the Series’ subadviser changed in November 2015, all of the performance data shown for the period prior to that date reflected the performance of a prior subadviser.

**Virtus Duff & Phelps Real Estate Securities Series.** The Board noted that the Series outperformed the median of its Performance Universe for the 10-year period, underperformed the median of its Performance Universe for the 1- and 5-year periods, and performed at the median of its Performance Universe for the 3-year period. The Board also noted that the Series underperformed its benchmark for the 1-, 3- and 5-year periods and outperformed its benchmark for the 10-year period. The Board took into account management’s discussion of the factors that contributed to the Series’ performance over the relevant periods.

**Virtus KAR Capital Growth Series.** The Board noted that the Series underperformed the median of its Performance Universe for the 10-year period and outperformed the median of its Performance Universe for the 1-, 3- and 5- year periods. The Board also noted that the Series underperformed its benchmark for the 5- and 10-year periods and outperformed its benchmark for the 1- and 3-year periods. The Board took into account management’s discussion of the Series’ performance, including the Subadviser’s investment style in the current market environment and any actions taken to address the Series’ performance, including the replacement of the Series’ subadviser in November 2010 and September 2011 and change in the Series’ portfolio manager in November 2011. The Board also noted that because the Series’ subadviser changed in November 2010 and September 2011, 10-year performance data in part reflects the performance of prior subadvisers.

**Virtus KAR Small-Cap Growth Series.** The Board noted that the Series outperformed the median of its Performance Universe and its benchmark for the 1-, 3-, 5- and 10-year periods.

**Virtus KAR Small-Cap Value Series.** The Board noted that the Series outperformed the median of its Performance Universe and its benchmark for the 3- and 5-year periods and underperformed the median of its Performance Universe and its benchmark for the 1- and 10-year periods. The Board took into account management’s discussion of the Series’ performance, including the impact of market conditions on the Series’ performance and the Subadviser’s investment style in the current market environment as well as the type of fund. The Board noted that because the Series’ subadviser changed in November 2010, 10-year performance data in part reflects the performance of a prior subadviser.

**Virtus Newfleet Multi-Sector Intermediate Bond Series (formerly Virtus Multi-Sector Fixed Income Series).** The Board noted that the Series outperformed the median of its Performance Universe and its benchmark for the 1-, 3-, 5- and 10-year periods.

**Virtus Rampart Enhanced Core Equity Series.** The Board noted that the Series underperformed the median of its Performance Universe and underperformed its benchmark for the 3-, 5- and 10-year periods. The Board also noted that the Series outperformed the median of its Performance Universe and outperformed its benchmark for the 1-year period. The Board took into account management’s discussion of the Series’ performance and any actions taken to address the Series’ performance, including the replacement of the Series’ subadviser in September 2016. The Board noted that because the Series’ subadviser changed in September 2016, performance data prior to that date reflects the performance of a prior subadviser.

**Virtus Rampart Equity Trend Series.** The Board noted that the Series underperformed the median of its Performance Universe and underperformed its benchmark for the 1-, 3- and 5-year periods. The Board took into account management’s discussion of the Series’ performance, including the type of fund and the Series’ peer group, and any actions taken to address the Series’ performance, including the removal of the Series’ prior subadviser in May 2015. The Board noted that because the Series’ prior subadviser was removed in May 2015, performance data prior to that date reflects the performance of the prior subadviser.

**Virtus Strategic Allocation Series.** The Board noted that the Series underperformed the median of its Performance Universe for the 3- and 5-year periods and outperformed its Performance Universe for the 1- and 10-year periods. The Board also noted that the Series underperformed its benchmark for the 1-, 3-, 5- and 10-year periods. The Board took into account management’s discussion of the factors

## CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)

that contributed to the Series' performance over the relevant periods and any actions taken to address the Series' performance, including the replacement of one of the Series' Subadvisers in September 2016. The Board noted that because one of the Series' subadvisers was replaced in September 2016, performance data prior to that date in part reflects the performance of that prior subadviser.

After reviewing these and related factors, the Board concluded that each Series' overall performance was satisfactory, or where noted above, action was being taken to address performance.

**Management Fees and Total Expenses.** The Board considered the fees charged to the Series for advisory services as well as the total expense levels of the Series. This information included comparisons of each Series' net management fee and total expense level to those of its peer group (the "Expense Group"). In comparing each Series' net management fee to that of comparable funds, the Board noted that in the materials presented such fee included both advisory and administrative fees. The Board also noted that all of the Series had fee waivers and/or expense caps in place to limit the total expenses incurred by the Series and their shareholders. The Board also noted that the subadvisory fees were paid by VIA out of its management fees rather than paid separately by the Series. In this regard, the Board took into account management's discussion with respect to the advisory/subadvisory fee structure, including the amount of the advisory fee retained by VIA after payment of the subadvisory fee. The Board also took into account the size of each of the Series and the impact on expenses. The Subadvisers provided, and the Board considered, fee information of comparable accounts managed by the Subadvisers, as applicable.

In addition to the foregoing, the Board considered, among other data, the information set forth below with respect to each Series' fees and expenses. In each case, the Board took into account management's discussion of the Series' expenses, including the type and size of the Series relative to the other series in its Expense Group.

**Virtus Duff & Phelps International Series.** The Board considered that the Series' net management fee after waivers was equal to the median of the Expense Group and net total expenses after waivers were above the median of the Expense Group. The Board took into account management's discussion of the Series' expenses, including that VIA had waived a portion of its management fee and/or reimbursed expenses for the Series.

**Virtus Duff & Phelps Real Estate Securities Series.** The Board considered that the Series' net management fee after waivers and net total expenses after waivers were above the median of the Expense Group. The Board took into account management's discussion of the Series' expenses, including that VIA had waived a portion of its management fee and/or reimbursed expenses for the Series.

**Virtus KAR Capital Growth Series.** The Board considered that the Series' net management fee after waivers and net total expenses after waivers were above the median of the Expense Group. The Board took into account management's discussion of the Series' expenses, including that VIA had waived a portion of its management fee and/or reimbursed expenses for the Series.

**Virtus KAR Small-Cap Growth Series.** The Board considered that the Series' net management fee after waivers and net total expenses were above the median of the Expense Group. The Board took into account management's discussion of the Series' expenses, including that VIA had waived a portion of its management fee and/or reimbursed expenses for the Series.

**Virtus KAR Small-Cap Value Series.** The Board considered that the Series' net management fee and net total expenses after waivers were both equal to the median of the Expense Group.

**Virtus Newfleet Multi-Sector Intermediate Bond Series (formerly Virtus Multi-Sector Fixed Income Series).** The Board considered that the Series' net management fee after waivers and net total expenses after waivers were above the median of the Expense Group. The Board took into account management's discussion of the Series' expenses, including that VIA had waived a portion of its management fee and/or reimbursed expenses for the Series.

**Virtus Rampart Enhanced Core Equity Series (fka Growth & Income Series).** The Board considered that the Series' net management fee and net total expenses after waivers were both below the median of the Expense Group.

**Virtus Rampart Equity Trend Series.** The Board considered that the Series' net management fee after waivers and the Series' net total expenses after waivers were above the median of the Expense Group. The Board took into account management's discussion of the Series' expenses, including that VIA had waived a portion of its management fee and/or reimbursed expenses for the Series.

**Virtus Strategic Allocation Series.** The Board considered that the Series' net management fee after waivers and net total expenses after waivers were below the median of the Expense Group.

The Board concluded that the advisory and subadvisory fees for each Series, including with any proposed amendments, were fair and reasonable in light of the usual and customary charges made for services of the same nature and quality and the other factors considered.

**Profitability.** The Board also considered certain information relating to profitability that had been provided by VIA. In this regard, the Board considered information regarding the overall profitability, as well as on a Series-by-Series basis, of VIA for its management of the Trust, as well as its profits and those of its affiliates for managing and providing other services to the Trust, such as distribution and administrative services provided to the Series by a VIA affiliate. In addition to the fees paid to VIA and its affiliates, including the applicable Subadvisers, the Board considered any other benefits derived by VIA or its affiliates from their relationships with the Series. The Board reviewed the methodology used to allocate costs to each Series, taking into account the fact that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. The Board concluded that the profitability to VIA and its affiliates from each Series was reasonable in light of the quality of the services rendered to the Series by VIA and its affiliates.

In considering the profitability to the Subadvisers in connection with their relationship to the Series, the Board noted that the fees under the Subadvisory Agreements are paid by VIA out of the fees that VIA receives under the Advisory Agreement, so that Series

## **CONSIDERATION OF ADVISORY AND SUBADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Continued)**

shareholders are not directly impacted by those fees. In considering the reasonableness of the fees payable by VIA to the affiliated Subadvisers, the Board noted that, because such Subadvisers are affiliates of VIA, such profitability might be directly or indirectly shared by VIA. For each of the above reasons, the Board concluded that the profitability to the Subadvisers and their affiliates from their relationships with the Series was not a material factor in approval of the Subadvisory Agreements.

**Economies of Scale.** The Board received and discussed information concerning whether VIA realizes economies of scale as the Series' assets grow. The Board noted that the management fees for most of the Series included breakpoints based on assets under management, and that fee waivers and/or expense caps were also in place for all of the Series. The Board also took into account management's discussion of the Series' management fee and subadvisory fee structure, including with respect to the Series that does not currently have breakpoints. The Board also took into account the current size of each Series. The Board also noted that VIA had agreed to implement an extension of each Series' expense cap through April 30, 2019. The Board then concluded that no additional changes to the advisory fee structure of the Series were necessary at this time. The Board noted that VIA and the Series may realize certain economies of scale if the assets of the Series were to increase, particularly in relationship to certain fixed costs, and that shareholders of the Series would have an opportunity to benefit from these economies of scale.

For similar reasons as stated above with respect to the Subadvisers' profitability, and based upon the current size of the Series managed by each Subadviser, the Board concluded that the potential for economies of scale in the Subadvisers' management of the Series was not a material factor in the approval of the Subadvisory Agreements at this time.

**Other Factors.** The Board considered other benefits that may be realized by VIA and each Subadviser and their affiliates from their relationships with the applicable Series. Among them, the Board recognized that VP Distributors, LLC, an affiliate of VIA, serves as the distributor for the Trust, and, as such, receives payments pursuant to Rule 12b-1 from the Series to compensate it for providing selling activities, which could lead to growth in the Trust's assets and corresponding benefits from such growth, including economies of scale. The Board noted that an affiliate of VIA also provides administrative services to the Trust. The Board noted management's discussion of the fact that, while the Subadvisers are affiliates of VIA, there are no other direct benefits to the Subadvisers 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 indirect benefits gained, including to the extent that serving the Series could provide the opportunity to provide advisory services to additional portfolios of the Trust or certain reputational benefits.

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

## FUND MANAGEMENT TABLES

Information pertaining to the Trustees and officers of the Trust as of the date the financial statements were available for issuance, is set forth below. The statement of additional information (SAI) includes additional information about the Trustees and is available without charge, upon request, by calling (800) 243-4361.

The address of each individual, unless otherwise noted, is c/o Virtus Variable Insurance Trust, 100 Pearl Street, Hartford, CT 06103. There is no stated term of office for Trustees or officers of the Trust.

### Independent Trustees

Name, Year of Birth, Length of Time Served and Number of Portfolios in Complex	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Brown, Thomas J. YOB: 1945 Served Since: 2011 86 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2011), Virtus Variable Insurance Trust (9 portfolios); Director (since 2010), D'Youville Senior Care Center; and Director (since 2005), VALIC Company Funds (49 portfolios).
Burke, Donald C. YOB: 1960 Served Since: 2016 90 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios), Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Director (since 2014) closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director, Avista Corp. (energy company) (since 2011); Trustee, Goldman Sachs Fund Complex (2010 to 2014); and Director, BlackRock Luxembourg and Cayman Funds (2006 to 2010).
Gelfenbien, Roger A. YOB: 1943 Served Since: 2000 86 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2000), Virtus Variable Insurance Trust (9 portfolios); and Director (1999 to 2017), USAllianz Variable Insurance Product Trust (42 portfolios).
Harris, Sidney E. YOB: 1949 Served Since: 2017 86 Portfolios	Professor and Dean Emeritus (since April 2015), Professor (1997 to 2014), Dean (1997 to 2004), J. Mack Robinson College of Business, Georgia State University; Trustee (since 2017), Virtus Mutual Fund Family (74 portfolios), Virtus Variable Insurance Trust (9 portfolios), and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2013), KIPP Metro Atlanta; Trustee (since 1999) Total System Services, Inc.; Trustee (2004 to 2017), RidgeWorth Funds; Trustee (2012 to 2017), International University of the Grand Bassam; and Trustee (2011 to 2015), Genspring Family Offices, LLC.
Mallin, John R. YOB: 1950 Served Since: 1999 86 Portfolios	Partner/Attorney (since 2003), McCarter & English LLP (law firm), Real Property Practice Group; and Member (since 2014), Counselors of Real Estate. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Horizons, Inc. (non-profit); and Trustee (since 1999), Virtus Variable Insurance Trust (9 portfolios).
McClellan, Hassell H. YOB: 1945 Served Since: 2008 86 Portfolios	Retired (since 2013); and Professor (1984 to 2013), Wallace E. Carroll School of Management, Boston College. Chairperson of the Board (since 2017) and Trustee (since 2000), John Hancock Fund Complex (collectively, 227 portfolios); Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2015), Virtus Mutual Fund Family (74 portfolios); Director (since 2010), Barnes Group, Inc. (diversified global components manufacturer and logistical services company); and Trustee (since 2008), Virtus Variable Insurance Trust (9 portfolios).
McDaniel, Connie D. YOB: 1958 Served Since: 2017 86 Portfolios	Retired. Vice President, Chief of Internal Audit, Corporate Audit Department (2009 to 2013); Vice President Global Finance Transformation (2007 to 2009); Vice President and Controller (1999 to 2007), The Coca-Cola Company. Trustee (since 2017), Virtus Mutual Fund Family (74 portfolios), Virtus Variable Insurance Trust (9 portfolios), and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2014), Total System Services, Inc.; and Trustee (2005 to 2017), RidgeWorth Funds.
McLoughlin, Philip YOB: 1946 Served Since: 2003 94 Portfolios	Retired. Director and Chairman (since 2016), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Director and Chairman (since 2014) Duff & Phelps Select Energy MLP Fund Inc.; Trustee and Chairman (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Trustee and Chairman (since 2011), Virtus Global Multi-Sector Income Fund; Chairman and Trustee (since 2003), Virtus Variable Insurance Trust (9 portfolios); Director (since 1995), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director (since 1991) and Chairman (since 2010), Lazard World Trust Fund (closed-end investment firm in Luxembourg); and Trustee (since 1989) and Chairman (since 2002), Virtus Mutual Fund Family (74 portfolios).
McNamara, Geraldine M. YOB: 1951 Served Since: 2015 90 Portfolios	Retired. Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2015), Virtus Variable Insurance Trust (9 portfolios); Director (since 2003), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); and Trustee (since 2001), Virtus Mutual Fund Family (74 portfolios).
Oates, James M. YOB: 1946 Served Since: 2016 90 Portfolios	Managing Director (since 1994), Wydown Group (consulting firm). Director (since 2016), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Trustee (since 2016), Virtus Variable Insurance Trust (9 portfolios); Director (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Trustee (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2011), Virtus Global Multi-Sector Income Fund; Trustee (since 2005) and Chairman (2005 to 2017), John Hancock Fund Complex (227 portfolios); Director (2002 to 2014), New Hampshire Trust Company; Chairman (2000 to 2016), Emerson Investment Management, Inc.; Non-Executive Chairman (2000 to 2014), Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services); Chairman and Director (1999 to 2014), Connecticut River Bank; Director (since 1996), Stifel Financial; and Trustee (since 1987), Virtus Mutual Fund Family (74 portfolios).
Segerson, Richard E. YOB: 1946 Served Since: 2016 86 Portfolios	Retired; and Managing Director (1998 to 2013), Northway Management Company. Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios) and Virtus Variable Insurance Trust (9 portfolios); and Trustee (since 1983), Virtus Mutual Fund Family (74 portfolios).

## FUND MANAGEMENT TABLES (Continued)

### Interested Trustee

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Aylward, George R.* Trustee and President YOB: 1964 Elected: 2012 92 Portfolios	Director, President and Chief Executive Officer (since 2008), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions with Virtus affiliates (since 2005). Chairman and Trustee (since 2015), Virtus ETF Trust II (2 funds); Director, President and Chief Executive Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Trustee and President (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Virtus Global Funds, PLC (3 portfolios); Trustee (since 2012) and President (since 2010), Virtus Variable Insurance Trust (9 portfolios); Trustee, President and Chief Executive Officer (since 2011), Virtus Global Multi-Sector Income Fund; Trustee and President (since 2006) and Executive Vice President (2004 to 2006), Virtus Mutual Fund Family (74 portfolios); and Director, President and Chief Executive Officer (since 2006), Virtus Global Dividend & Income Fund Inc. and Virtus Total Return Fund Inc.

\* Mr. Aylward is an “interested person,” as defined in the 1940 Act, by reason of his position as President and Chief Executive Officer of Virtus Investment Partners, Inc. (“Virtus”), the ultimate parent company of the Adviser, and various positions with its affiliates, including the Adviser.

## FUND MANAGEMENT TABLES (Continued)

### Officers of the Trust Who Are Not Trustees

Name, Address and Year of Birth	Position(s) Held with Trust and Length of Time Served	Principal Occupation(s) During Past 5 Years
Bradley, W. Patrick YOB: 1972	Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006).	Executive Vice President, Fund Services (since 2016), Senior Vice President, Fund Services (2010 to 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2004), Virtus Variable Insurance Trust; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006), Virtus Mutual Fund Family; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2012 to 2013) and Treasurer and Chief Financial Officer (since 2010), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2011), Virtus Global Multi-Sector Income Fund; Executive Vice President (since 2016), Senior Vice President (2014 to 2016), Chief Financial Officer and Treasurer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Vice President and Assistant Treasurer (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Director (since 2013), Virtus Global Funds, PLC; and Executive Vice President (since 2016), Senior Vice President (2013 to 2016), and Chief Financial Officer and Treasurer (since 2013), Virtus Alternative Solutions Trust.
Engberg, Nancy J. YOB: 1956	Senior Vice President (since 2017), Vice President and Chief Compliance Officer (2011 to 2017), and Chief Compliance Officer (since 2011).	Senior Vice President (since 2017), Vice President (2008 to 2017) and Chief Compliance Officer (2008 to 2011 and since 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2003) with Virtus affiliates; Senior Vice President (since 2017), Vice President (2011 to 2017) and Chief Compliance Officer (since 2011), Virtus Mutual Fund Family; Senior Vice President (since 2017), Vice President (2010 to 2017) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Senior Vice President (since 2017), Vice President (2011 to 2017) and Chief Compliance Officer (since 2011), Virtus Global Multi-Sector Income Fund; Senior Vice President (since 2017), Vice President (2012 to 2017) and Chief Compliance Officer (since 2012), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Senior Vice President (since 2017), Vice President (2013 to 2017) and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Senior Vice President (since 2017), Vice President (2014 to 2017) and Chief Compliance Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Chief Compliance Officer (since 2015), ETFis Series Trust I; and Chief Compliance Officer (since 2015), Virtus ETF Trust II.
Fromm, Jennifer S. YOB: 1973	Vice President, Chief Legal Officer and Secretary (since 2013).	Vice President (since 2016) and Senior Counsel (since 2007), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; Vice President (since 2017) and Assistant Secretary (since 2008), various Virtus-affiliated open-end funds; Vice President, Chief Legal Officer, and Secretary (since 2013), Virtus Variable Insurance Trust; and Vice President, Chief Legal Officer, and Secretary (since 2013), Virtus Alternative Solutions Trust.
Short, Julia R. YOB: 1972	Senior Vice President (since 2017).	Senior Vice President, Product Development (since 2017), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; Senior Vice President (since 2017), Virtus Mutual Fund Family; President and Chief Executive Officer, RidgeWorth Funds (2007 to 2017); and Managing Director, Product Manager, RidgeWorth Investments (2004 to 2017).
Waltman, Francis G. YOB: 1962	Executive Vice President (since 2013), Senior Vice President (2008 to 2013).	Executive Vice President, Product Development (since 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2013), Senior Vice President (2008 to 2013), Virtus Mutual Fund Family; Executive Vice President (since 2013), Senior Vice President (2010 to 2013), Virtus Variable Insurance Trust; Executive Vice President (since 2013), Senior Vice President (2011 to 2013), Virtus Global Multi-Sector Income Fund; Executive Vice President (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Director (since 2013), Virtus Global Funds PLC; and Executive Vice President (since 2013), Virtus Alternative Solutions Trust.

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## **VIRTUS VARIABLE INSURANCE TRUST**

100 Pearl Street  
Hartford, CT 06103-4506

### **Trustees**

George R. Aylward  
Thomas J. Brown  
Donald C. Burke  
Roger A. Gelfenbien  
Sidney E. Harris  
John R. Mallin  
Hassell H. McClellan  
Connie D. McDaniel  
Philip R. McLoughlin, Chairman  
Geraldine M. McNamara  
James M. Oates  
Richard E. Segerson

### **Officers**

George R. Aylward, President  
Francis G. Waltman, Executive Vice President  
W. Patrick Bradley, Executive Vice President,  
Chief Financial Officer and Treasurer  
Nancy J. Engberg, Senior Vice President and  
Chief Compliance Officer  
Jennifer Fromm, Vice President, Chief Legal  
Officer, Counsel and Secretary  
Julia Short, Senior Vice President

### **Investment Adviser**

Virtus Investment Advisers, Inc.  
100 Pearl Street  
Hartford, CT 06103-4506

### **Principal Underwriter**

VP Distributors, LLC  
100 Pearl Street  
Hartford, CT 06103-4506

### **Transfer Agent**

Bank of New York Mellon  
4400 Computer Drive  
Westborough, MA 01581-1722

### **Custodian**

The Bank of New York Mellon  
225 Liberty Street  
New York, NY 10286-1048

### **Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP  
2001 Market Street  
Philadelphia, PA 19103-7042

### **How to Contact Us**

Mutual Fund Services  
Website

1-800-367-5877  
**Virtus.com**

#### **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.



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**.