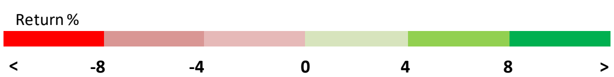
Dear 7Twelve Balanced Portfolio shareholder, December 31, 2017

Thank you for your investment in the 7Twelve Balanced Portfolio.

Cash 0.87%	**Small Co 9.22%**	**Large Co 21.83%**	**Natl Res 1.23%**
Real Estate 1.23%	**Med Co 16.24%**	**TIPS 3.01%**	**Emer Mkts 37.75%**
Commodities 5.77%	**US Bonds 3.54%**	**Intl Bonds 10.51%**	**Dev Mkts 25.62%**



Source: ©AdvisoryWorld, 1 year through 12/31/17
(Past performance is no guarantee of future returns. Diversification does not guarantee a profit or protect against loss.)

The 7Twelve Balanced Portfolio is a fund of exchange traded funds (ETFs), mutual funds, and cash equivalents. The 7Twelve strategy was created by Craig Israelsen, PhD, a partner in 7Twelve Advisors, LLC.

Our objective is to seek to provide superior risk-adjusted returns when compared to the bond and equity markets. The "7" of 7Twelve is US and non-US Stocks, US and non-US bonds, cash, real estate, and commodities. The "Twelve" of 7Twelve is represented by the assets in the boxes to the left. We roughly equally-weight assets because we cannot know which asset class will outperform. We do not time the market, nor do we have a preference for any one of the twelve assets besides how they fit into a portfolio. This is because we do not believe that it is possible to accurately and consistently predict the markets.

Here is an illustration of how varied the returns of asset classes can be. In each box is one of the twelve assets (by asset class--not actual fund) in the 7Twelve Balanced Portfolio and its individual return for the period.* Note that all of the asset classes were up in 2017. This is very unusual for a diversified fund and was due to the strength of almost every market. This was the first year since our inception that each of the twelve broad asset classes were up in value. There is no guarantee this performance will continue.

These are the returns of Class 4 shares at *Net Asset Value* (without sales charges or other fees) for the 7Twelve Balanced Portfolio from 12/31/2016 through 12/31/17.**

7Twelve Balanced Portfolio	10.35%
7Twelve Blend***	10.99%
Dow Jones Moderate Portfolio Index	15.14%

I am optimistic and believe that the fund may perform comparatively well if the U.S. stock market cools off as many market watchers are now predicting.

Please call me at 615-341-0712 or e-mail me at amartin@7Twelveadvisors.com if you have any questions about our investment strategy. I would be glad to speak with you.

— Andrew D. Martin, president, 7Twelve Advisors, LLC

The performance data quoted here represents past performance. For more current performance information, please call toll-free 877-525-0712. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Portfolio will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost.

The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. Past performance is no guarantee of future results. 7Twelve Advisors, LLC does not endorse or attest to the validity of the above data. Investment returns and expense ratios are for illustration only and do not constitute a recommendation.

*Returns are not guaranteed and do not represent the return of the 7Twelve Balanced Portfolio. The return of the 7Twelve Balanced Portfolio is variable and may go down in value. Diversification does not guarantee better performance or lower risk.

Notes: Each of these asset classes (indexes) has its own set of investment characteristics and risks. Investors should consider these risks carefully prior to making any investments. The referenced asset classes are shown for general market comparison and are not meant to represent that of the 7Twelve Balanced Portfolio. The following are descriptions of each:

US Bonds: Barclay US Agg TR -- The index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

Cash: Barclays Capital 3-Month US Treasury Bellwether Index-- The index measures the performance of Treasury bills with a maturity of less than three months.

International Bonds Barclay Gl Agg X-US TR--The index measures the performance of the global bond market, excluding U.S. securities.

Commodities S&P GSCI TR-- The widely tracked S&P GSCI is recognized as a leading measure of general price movements and inflation in the world economy. The index representing market beta is world-production weighted. It is designed to be investable by including the most liquid commodity futures, and provides diversification with low correlations to other asset classes.

Developed Markets: MSCI EAFE GD-- The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. Total Return Indices measure the market performance, including both price performance and income from dividend payments. Gross Dividends (GD) approximates the maximum possible dividend reinvestment.

Emerging Markets: MSCI Emerging Markets GD-- The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. With 846 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Total Return Indices measure the market performance, including both price performance and income from dividend payments. Gross Dividends (GD) approximates the maximum possible dividend reinvestment.

Natural Resources S&P NA Nat Res Sec TR--The iShares S&P North American Natural Resources Sector Index Fund seeks investment results that correspond generally to the price and The S&P North American Natural Resources Index provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector excluding the chemicals industry; and steel sub-industry.

Medium Companies: S&P Midcap 400 TR-- The S&P MidCap 400® provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

TIPS: Barclay US TIPS TR-- The index includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value.

Small Companies: MSCI US Sm Cp Vl GD-- The MSCI USA Small Cap Value Index captures small cap securities exhibiting overall value style characteristics across the US equity markets. The value investment style characteristics for index construction are defined using three variables: book value to price, 12- month forward earnings to price and dividend yield.

Real Estate: DJ US Real Est TR IX-- The index tracks a market-cap-weighted index of US real estate equities listed on the major US exchanges.

Large Companies: S&P 500 (1936) TR IX--The S&P 500 is a gauge of the large cap U.S. equities market. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. Reinvested assumes dividends are reinvested.

Unmanaged index returns do not reflect any fees, expenses or sales charges. Past performance is no guarantee of future results

** "7Twelve Blend" or 3167 Blend is a composite of the underlying indexes that make up the 7Twelve strategy and is provided for comparison only. (It is *not* the 7Twelve Balanced Portfolio.) It consists of the following indexes roughly equally-weighted: Barclays Capital 1-3 Month U.S. Tsy Bill, Barclays Capital U.S. Aggregate Bond Index, Barclays Capital Global Treasury Ex-US Capped Index, Dow Jones Commodity Index TR, MSCI EAFE, MSCI Emerging Markets Price, S&P NA Nat Res Sector TR, Russell MidCap Value, Barclays Capital U.S. TIP Sec (Series-L), Russell 2500 TR, MSCI US REIT, S&P 500. Indexes herein are subject to change. Source: *Confluence Technologies, Inc.*

VIT Disclosure Statement: The Portfolio is an Investment vehicle for variable annuity contracts and may be subject to fees or expenses that are typically charged by these contracts. Please review the insurance contract prospectus for further description of these fees and expenses. This product is available as a sub-account investment to a variable life insurance policy only and is not offered directly to the general public. 3179-NLD-2/6/2018