

# Prospectus

April 15, 2009

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved the Fund's securities or determined whether this Prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

**Victory Variable  
Insurance Funds**



## **Victory Variable Insurance Funds**

Diversified Stock Fund  
Class A Shares

For information, call your  
participating insurance company.

# The Victory Variable Insurance Funds

## Diversified Stock Fund

CLASS A SHARES  
Cusip#: 92646Q307

### Key to Fund Information



#### Objective and Strategy

The goals and the strategies that the Fund plans to use in pursuing its investment objective.



#### Risk Factors

The risks applicable to investing in the Fund.



#### Performance

A summary of the historical performance of the Fund in comparison to one or more unmanaged indices.



#### Expenses

The costs applicable to the Fund.

### Shares of the Fund are:

- **Not insured by the Federal Deposit Insurance Corporation (FDIC);**
- **Not deposits or other obligations of, or guaranteed by KeyBank National Association (KeyBank), any of its affiliates, or any other bank;**
- **Subject to investment risks, including possible loss of the amount invested.**

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**The securities described in this Prospectus and the Statement of Additional Information (SAI) are not offered in any state in which they may not lawfully be sold. No sales representative, dealer, or other person is authorized to give any information or make any representation other than those contained in this Prospectus and the SAI.**

# Risk/Return Summary

## Introduction

This Prospectus explains what you should know about the Diversified Stock Fund (the Fund), before you invest. Please read it carefully.



## Investment Objective

The Fund seeks to provide long-term growth of capital.



## Principal Investment Strategies

The Fund pursues its investment objective by investing primarily in equity securities and securities convertible into common stocks traded on U.S. exchanges and issued by large, established companies.

The Adviser seeks to invest in both growth and value securities.

- Growth stocks are stocks of companies that the Adviser believes will experience earnings growth; and
- Value stocks are stocks that the Adviser believes are intrinsically worth more than their market value.

In making investment decisions, the Adviser may consider cash flow, book value, dividend yield, growth potential, quality of management, adequacy of revenues, earnings, capitalization, relation to historical earnings, the value of the issuer's underlying assets, and expected future relative earnings growth. The Adviser will pursue investments that provide above average dividend yield or potential for appreciation.

Under normal circumstances, the Fund will invest at least 80% of its net assets in equity securities and securities convertible or exchangeable into common stock. The Fund will not change this policy unless it

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Victory Capital Management Inc., which we will refer to as the "Adviser" or the "Administrator" throughout this Prospectus, manages the Fund.

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Please read this Prospectus before investing in the Fund and keep it for future reference.

notifies shareholders at least 60 days in advance. For purposes of this policy, “net assets” includes any borrowings for investment purposes.

There is no guarantee that the Fund will achieve its objective.



### **Principal Risks**

You may lose money by investing in the Fund. The Fund is subject to the following principal risks, more fully described in “Risk Factors.” The Fund’s net asset value (NAV), yield and/or total return may be adversely affected if any of the following occurs:

- The market value of the securities acquired by the Fund declines.
- Growth stocks fall out of favor because the companies’ earnings growth does not meet expectations.
- Value stocks fall out of favor relative to growth stocks.
- The portfolio manager does not execute the Fund’s principal investment strategies effectively.
- A company’s earnings do not increase as expected.

An investment in the Fund is not a deposit of KeyBank or any of its affiliates and is not FDIC insured or guaranteed by any other government agency.

By itself, the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather changes in the value of their investment.



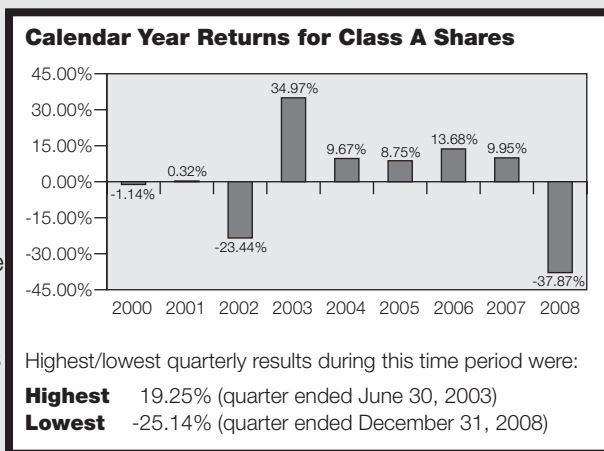
## Investment Performance

The bar chart and table below indicate the risks of investing in the Fund. We assume reinvestment of dividends and distributions.

While the total returns reflected in the bar chart, table, and listing of highest and lowest quarterly returns include fees paid by the Class A shares of the Fund, they do not reflect the impact of fees and charges imposed pursuant to the terms of the contracts funded by the separate accounts

that invest in the Fund. (See Q&A — Important Considerations.) As a result of these fees and charges, the total returns for the separate account assets that relate to the contracts will be lower than the total returns for the Fund. The Fund's past performance does not necessarily indicate how the Fund will perform in the future.

The table below shows how the average annual total returns for Class A shares of the Fund for one and five year and since inception periods compare to those of a broad-based market index.



Average Annual Total Returns (For the Periods ended December 31, 2008)	1 Year	5 Years	Since Inception <sup>1</sup>
<b>CLASS A</b>	(37.87)%	(1.52)%	(0.42)%
S&P 500 Index <sup>2</sup> (Index returns reflect no deduction for fees, expenses, or taxes)	(37.00)%	(2.19)%	(2.72)%

<sup>1</sup>Inception date is July 1, 1999.

<sup>2</sup>The S&P 500 Index is a broad-based unmanaged index that measures the performance of large capitalization domestically traded common stocks. Index returns do not include any brokerage commissions, sales charges, or other fees. It is not possible to invest directly in an index.



## Fund Expenses

This section describes the fees and expenses applicable to Class A shares of the Fund. The following fees and expenses do not include the fees and charges related to either the separate accounts or to the contracts. If these charges were included, overall expenses would be higher.

Annual Fund Operating Expenses (deducted from Fund assets)	Class A
Management Fees	0.30%
Distribution (12b-1) Fees	0.25%
Other Expenses (includes a contract owner's administrative service fee of up to 0.25%)	0.67%
<b>Total Fund Operating Expense<sup>1</sup></b>	<b>1.22%<sup>2</sup></b>

<sup>1</sup>In addition to any voluntary or contractual fee waivers or expense reimbursements by the Adviser to limit the Fund's total operating expenses, any of the Fund's other service providers may voluntarily waive its fees or reimburse expenses, as permitted by law, in order to reduce the Fund's total operating expenses.

<sup>2</sup>Effective January 1, 2009, the Adviser intends to voluntarily waive its fees and/or reimburse expenses so that the net operating expenses (excluding certain items) of the Class A shares of the Fund for any period during which this waiver or reimbursement is in effect does not exceed 1.20%. This voluntary waiver/reimbursement may be terminated at any time.

**EXAMPLE:** The following Example is designed to help compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that the separate account invests \$10,000 in the Fund for the time periods shown and then sells all of its shares at the end of those periods. The Example also assumes that the investment has a 5% return each year and that the Fund's operating expenses remain the same. This Example does not reflect fees and charges related to either the separate accounts or to the contracts. If these fees and charges were included, overall expenses would be higher. Although actual costs may be higher or lower, based on these assumptions the separate account's costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A	\$124	\$387	\$670	\$1,477

# Q&A — Important Considerations

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You cannot buy shares of the Victory Variable Insurance Funds directly, but only as an investment option through variable annuity or variable life insurance contracts (contracts) that are offered by the separate accounts of certain life insurance companies (participating insurance companies).

The Fund offers Class A shares. You are encouraged to read this Prospectus in conjunction with the accompanying separate account prospectus.

In choosing the Fund as an investment for your contract, please keep in mind the following considerations.

## **What are the investment characteristics of the Fund?**

- Diversified investment portfolio;
- Seeks to achieve long-term growth;
- Invests in growth and value securities issued by large, established companies; and
- Fluctuating NAV per share.

## **Who May Want to Invest in the Fund**

- Contract owners willing to accept the risk of price and dividend fluctuations;
- Contract owners willing to accept higher risk in return for higher potential returns; and
- Contract owners with long-term financial goals, such as saving for retirement.

## **The Fund may not be an appropriate selection for contract owners who:**

- are not willing to take any risk that they may lose money on their investment;
- want absolute stability of their investment principal; or
- want to invest in a particular sector or in particular industries, countries, or regions.

Keep in mind that:

- The Fund is not a complete investment program.
- The Fund's shares could decrease in value, but they also have the potential to increase in value.

# Investments

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Under normal market conditions the Fund purchases equity securities, including common stock and securities that are convertible or exchangeable into common stock.

For cash management or for temporary defensive purposes in response to market conditions, the Fund may hold all or a portion of its assets in cash or short-term money market instruments. This may reduce the benefit from any upswing in the market and may cause the Fund to fail to meet its investment objective.

For a more complete description of the types of securities in which the Fund can invest, see the SAI.

## **Portfolio Holdings Disclosure**

The Fund discloses its complete portfolio holdings as of the end of its second fiscal quarter (June 30th) and its fiscal year (December 31st) in its reports to shareholders. The Fund sends reports to its existing shareholders no later than 60 days after the relevant fiscal period, and files these reports with the Securities and Exchange Commission (SEC) by the 70th day after the end of the relevant fiscal period. You can find these reports on the Fund's website, [www.VictoryFunds.com](http://www.VictoryFunds.com), and on the SEC's website, [www.sec.gov](http://www.sec.gov).

The Fund files its complete portfolio holdings as of the end of its first and third fiscal quarters (March 31 and September 30, respectively) with the SEC on Form N-Q no later than 60 days after the relevant fiscal period. You can find these filings on the SEC's website, [www.sec.gov](http://www.sec.gov).

The Fund also discloses its complete portfolio holdings each calendar quarter on the Fund's website, [www.VictoryFunds.com](http://www.VictoryFunds.com) by no later than the 15th day of the following calendar month. To access this information, open the section entitled "Individuals" and then "Victory Variable Insurance Funds."

The SAI describes the policies and procedures that relate to the disclosure of the Fund's portfolio holdings.

# Risk Factors



This Prospectus describes the principal risks that are associated with the Fund's investment strategies.

## General risks:

- **Market risk** is the risk that the market value of a security may fluctuate, depending on the supply and demand for that type of security. As a result of this fluctuation, a security may be worth more or less than the price the Fund originally paid for the security, or more or less than the security was worth at an earlier time. Market risk may affect a single issuer, an industry, a sector of the economy, or the entire market and is common to all investments.
- **Manager risk** is the risk that the Fund's portfolio manager may implement an investment strategy in a way that does not produce the intended result.

## Risk associated with investing in equity securities:

- **Equity risk** is the risk that the value of the security will fluctuate in response to changes in earnings or other conditions affecting the issuer's profitability. Unlike debt securities, which have preference to a company's assets in case of liquidation, equity securities are entitled to the residual value after the company meets its other obligations. For example, in the event of bankruptcy, holders of debt securities have priority over holders of equity securities to a company's assets.

## Risk associated with active trading:

- **Active trading risk** is the risk that, to the extent the Fund buys and sells securities actively, it could have higher expenses (which reduces returns to shareholders) and higher taxable distributions. While it is not an investment strategy to actively trade the Fund's portfolio, the adviser may from time to time do so, generating portfolio turnover rates in excess of 100%.

An investment in the Fund is not a complete investment program.

By matching your investment objective with an acceptable level of risk, you can create your own customized investment plan.

It is important to keep in mind one basic principle of investing: the greater the risk, the greater the potential reward. The reverse is also generally true: the lower the risk, the lower the potential reward.

# Share Price

The Fund calculates its share price, called its NAV each business day at 4:00 p.m. Eastern Time or at the close of regular trading on the New York Stock Exchange (the NYSE), whichever time is earlier. A separate account buys and redeems shares at the next share price calculated after your instructions are received and accepted by an authorized representative of your participating insurance company. A business day is a day on which the NYSE is open.

The Fund prices its investments at market value when market quotations are readily available. When these quotations are not readily available, the Fund will price its investments at fair value according to procedures approved by the Board of Trustees. A Fund will fair value a security when:

- trading in the security has been halted;
- the market quotation for the security is clearly erroneous due to a clerical error;
- the security's liquidity decreases such that, in the Adviser's opinion, the market quotation has become stale; or

- an event occurs after the close of the trading market (but before the Fund's NAV is calculated) that, in the Adviser's opinion, materially affects the value of the security.

The use of fair value pricing may minimize arbitrage opportunities that attempt to exploit the differences between a security's market quotation and its fair value. Also, the use of fair value pricing may not reflect a security's actual market value in light of subsequent relevant information, such as the security's opening price on the next trading day. The Fund calculates its NAV by adding up the total value of its investments and other assets, subtracting its liabilities, and then dividing that figure by the number of its outstanding shares.

# Share Price (continued)

## Market Timing

The Victory Variable Insurance Funds discourage and do not accommodate frequent purchases and redemptions of Fund shares (“market timing”). We will uniformly deny any request to purchase shares if we believe that the transaction is part of a market timing strategy. In identifying market timing activity, we consider, among other things, the frequency of your trades, even when the trades are combined with those of other investors or shareholders.

Market timing allows investors to take advantage of market inefficiencies, sometimes to the disadvantage of other shareholders. Market timing increases Fund expenses to all shareholders as a result of increased portfolio turnover. In addition, market timing could potentially dilute share value for all other shareholders by requiring the Fund to hold more cash than it normally would.

The Fund’s Board of Trustees has adopted policies and procedures with respect to market timing. In order to prevent or minimize market timing, the Fund will employ “fair value” pricing, as described in this prospectus under “Share Price,” to minimize the discrepancies between a security’s market quotation and its perceived market value, which often gives rise to market timing activity.

Because the Fund’s shares are held exclusively by insurance company separate accounts, rather than directly by the individual contract owners of the separate accounts, the Fund is not able to determine directly whether a separate account’s purchase or sale of the Fund’s shares on any given day represents transactions by a single investor or multiple investors. It also is not able to determine directly whether multiple purchases and sales by a separate account over any given period represent the activity of the same or of different investors. However, the Fund may request that an insurance company cooperate in monitoring transactions to detect potential market timing. There can be no assurance that an insurance company will cooperate in precluding an investor from further purchases of Fund shares. Consistent with applicable laws and agreements, the Fund may stop selling its shares to a separate account to prevent market timing.

The tax status of your separate account’s investment in the Fund depends upon the features of your contract. For further information, please refer to the separate account prospectus.

## Dividends, Distributions and Taxes

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The Fund expects to distribute substantially all of its ordinary income and capital gains each year. Ordinarily, the Fund declares and pays dividends from its net investment income quarterly. However, the Fund may not always pay a dividend or distribution for a given period. Capital gains distributions, if any, from the Fund will be made annually. In addition, the Fund may occasionally be required to make supplemental dividend or capital gains distributions at some other time during the year.

All dividend and capital gains distributions made by the Fund will be automatically reinvested in additional shares of the Fund.

## Important Information about Taxes

The Fund intends to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the Code), so that it will not be subject to federal income tax on its earnings and capital gains that are distributed to its shareholders. In addition, the Fund intends to comply with the diversification requirements of the Code and Treasury Regulations in order to maintain the tax-deferred status of the contracts.

- Shares of the Fund must be purchased through the contracts. As a result, it is anticipated that any dividend or capital gains distribution from the Fund will be exempt from current taxation if left to accumulate within a contract.
- The Code requires that a separate account underlying a contract must be “adequately diversified” in order for the contract to be treated as an annuity or life insurance contract for tax purposes. A separate account invested in the Fund will be treated as owning its proportionate share of the Fund’s assets for purposes of determining whether the account is adequately diversified. If a separate account underlying a contract were not in compliance with these diversification requirements, the contract owner would be subject to tax on the contract’s earnings.
- This discussion of federal income tax consequences is based on tax laws and regulations in effect as of the date of this Prospectus, and may change as a result of legislative, administrative or judicial action. As this discussion is for general information only, you also should review the more detailed discussion of federal income tax considerations that is contained in the separate account prospectus and the SAI.

You should consult with your own tax adviser regarding the tax consequences of your investment in the separate account, including the application of state and local taxes which may differ from the federal income tax consequences described.

## Investing in the Fund

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The Fund is designed as an investment exclusively for contracts that are offered by the separate accounts of participating insurance companies. The participating insurance company will buy and redeem shares according to your instructions, as provided in the contract, and will redeem shares as needed to provide benefits under the contract.

Shares of the Fund may be offered in the future to other separate accounts established by other insurance companies, and they may fund both variable annuity and variable life insurance contracts offered by the same or affiliated insurance companies. Although the Fund currently does not foresee any conflicts of interest between owners of variable annuity contracts and variable life insurance contracts or between owners of variable contracts issued by insurance companies that are not affiliated, it is possible, for various reasons, that conflicts may arise between groups of contract owners. Each insurance company whose separate accounts invest in the Fund, the Fund's distributor, and the Adviser are required to report any material irreconcilable conflict to the Board of Trustees and, where a conflict exists, the appropriate insurance company is required to take whatever action is necessary to remedy the conflict. The Board of Trustees is required to monitor the handling of the conflict and must be satisfied that the steps taken toward its resolution benefit the contract owners generally. In the event of a conflict, an insurance company might redeem its investment by one or more separate accounts in the Fund's shares. If this happens, the Fund may have to sell securities at unfavorable prices.

# Investing in the Fund (continued)

## **Contract Owner Administrative Services Agreement**

The Fund has adopted a form of Contract Owner Administrative Services Agreement. A contract owner servicing agent performs a number of services for its customers who hold contracts offered by separate accounts that invest in the Fund, such as establishing and maintaining accounts and records, processing additional contract units attributable to Fund dividend payments, arranging for bank wires, assisting in transactions, and changing account information. For these services, Class A shares of the Fund pay a fee at an annual rate of up to 0.25% of its average daily net assets serviced by the agent. The Fund may enter into these agreements with KeyBank and its affiliates, and with other financial institutions that provide such services. Contract owner servicing agents may waive all or a portion of their fee. (Not all agents may provide all services listed above.)

## **Distribution and Service Plan**

In accordance with Rule 12b-1 under the Investment Company Act of 1940, the Fund has adopted a Distribution and Service Plan. Under the Distribution and Service Plan, the Fund may pay to the Distributor a monthly fee at an annual rate of up to 0.25% of its average daily net assets. The fee may be used by the Distributor to pay for activities primarily intended to result in the sale of Fund shares to life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies or to provide services to owners of variable annuity contracts and variable life insurance policies whose contracts or policies are funded with shares of the Fund, which services are not otherwise provided by life insurance companies and paid for with fees charged by life insurance companies.

Because Rule 12b-1 fees are paid out of the Fund's assets and on an ongoing basis, over time these fees

# Investing in the Fund (continued)

will increase the cost of your investment and may cost you more than paying other types of sales charges.

The Adviser, Administrator or the Fund's distributor may make payments from their own resources for promotional and administrative expenses. These amounts would be in addition to amounts paid by the Fund under the Distribution and Service Plan and the Contract Owner Administrative Services Agreements.

## **Purchases**

Shares of the Fund may be purchased only through contracts offered through participating insurance companies. Please refer to the separate account prospectus for information on how the participating insurance company buys and redeems shares.

Insurance company separate accounts invest in the Fund based upon its current NAV. The Fund's transfer agent processes orders to buy or redeem shares of the Fund at its NAV next computed after the order is received in good order. The value of your contract's investment in the Fund also will be based upon premium payments, surrender and transfer requests, and any other transaction requests from contract owners, annuitants, and beneficiaries. In order to calculate the value of your investment, you would have to determine the number of contract units you own along with the "accrued unit value" of your contract.

## **Redemptions**

Shares of the Fund may be redeemed by instructing your participating insurance company to terminate your contract's investment in the Fund. Please refer to the instructions provided in the prospectus for the separate account. The separate account may redeem shares on any business day at the NAV that is next calculated after the order is placed.

The Fund may suspend the right of redemption in the following circumstances:

- During non-routine closings of the NYSE;

# Investing in the Fund (continued)

- When the SEC determines that (a) trading on the NYSE is restricted or (b) an emergency prevents the sale or valuation of the Fund's securities; or
- When the SEC orders a suspension to protect the Fund's shareholders.

The Fund will pay redemptions by any one separate account during any 90-day period in cash up to the lesser of \$250,000 or 1.00% of the Fund's net assets at the beginning of the period. The Fund reserves the right to pay the remaining portion "in kind," that is, in portfolio securities rather than cash.

# Organization and Management of the Fund

The Fund is supervised by the Board of Trustees, which monitors the services provided to contract owners.

## About The Victory Variable Insurance Funds

The Fund is a series of The Victory Variable Insurance Funds (the Trust), which is organized as a Delaware statutory trust.

The Board of Trustees of the Trust has the overall responsibility for the management of the Fund.

## The Investment Adviser

The Trust has an Advisory Agreement with the Adviser. The Adviser is a New York corporation registered as an investment adviser with the SEC and is a second-tier subsidiary of KeyCorp. The Adviser oversees the operations of the Fund according to investment policies and procedures adopted by the Board of Trustees. As of December 31, 2008, the Adviser and its affiliates managed assets totaling in excess of \$46.6 billion for individual and institutional clients. The Adviser's address is 127 Public Square, Cleveland, Ohio 44114.

For the fiscal year ended December 31, 2008, the Adviser was paid advisory fees of 0.30%,

based on the percentage of the average daily net assets of the Fund.

A discussion of the Board's considerations in approving the Advisory Agreement appears in the Fund's Annual Report.

## Portfolio Management

**Lawrence G. Babin** is the lead portfolio manager, **Paul D. Danes** is the portfolio manager and **Carolyn M. Rains** is the associate portfolio manager of the Fund. Mr. Babin has been the portfolio manager of the Fund since its inception in 1999. A Chartered Financial Analyst Charter Holder, Mr. Babin is the Chief Investment Officer and a Senior Managing Director of the Adviser and has been with the Adviser or an affiliate since 1982. Mr. Danes has been a portfolio manager of the Fund since July 2000. He is a Senior Portfolio Manager and Managing Director with the Adviser, and has been associated with the Adviser or an affiliate since 1987. Ms. Rains is a Portfolio Manager and a Managing Director of the Adviser and has been with the Adviser or an affiliate since 1998. She has been portfolio manager of the Fund since June 2000.

The portfolio managers listed for the Fund are, together, primarily responsible for the

# Organization and Management of the Fund

(continued)

day-to-day management of the Fund's portfolio.

The Fund's SAI provides additional information about the portfolio managers' method of compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities in the Fund.

# Additional Information

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Some additional information you should know about the Fund.

## **Fund Classes**

The Fund currently offers only the class of shares described in this Prospectus.

At some future date, the Fund may offer additional classes of shares. The Fund or any class may be terminated at any time for failure to achieve an economical level of assets or for other reasons.

## **Performance**

The Fund may advertise its performance by comparing it to other mutual funds with similar objectives and policies. Performance information also may appear in various publications. Advertising information will include the average annual total return of the Fund calculated on a compounded basis for specified periods of time. Total return information will be calculated according to rules established by the SEC. Such information may include performance rankings and similar information from independent organizations and publications. You also should see the “Investment Performance” section for the Fund.

## **Shareholder Communications**

In order to eliminate duplicate mailings to an address at which two or more shareholders with the same last name reside, the Fund may send only one copy of any shareholder reports, proxy statements, prospectuses and their supplements, unless you have instructed us to the contrary. You may request that the Fund send these documents to each shareholder individually by calling your participating insurance company.

## **Other Service Providers**

Victory Capital Advisers, Inc. (the Distributor), member FINRA and SIPC, is a subsidiary of KeyCorp, 127 Public Square, Cleveland Ohio 44114, and serves as distributor for the continuous offering of the Fund’s shares. The Distributor is an affiliate of the Adviser.

KeyBank National Association, 127 Public Square, Cleveland, Ohio 44114, serves as the custodian of the Fund’s investments and cash and settles trades made by the Fund.

# Additional Information (continued)

Victory Capital Management Inc., 127 Public Square, Cleveland Ohio 44114 serves as the Administrator and Fund Accountant for the Fund.

Citi Fund Services Ohio, Inc., 3435 Stelzer Road, Columbus, Ohio 43219, serves as the sub-administrator, transfer agent and sub-fund accountant for the Fund.

PricewaterhouseCoopers LLP, 41 South High Street, Suite 2500, Columbus, OH 43215, served as the Independent Registered Public Accounting Firm for the Fund for the fiscal year ended December 31, 2008.

Ernst & Young LLP, 1900 Scripps Center, 312 Walnut Street Cincinnati, Ohio 45202, serves as the Independent Registered Public Accounting firm for the Fund for the fiscal year ending December 31, 2009.

Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, NY 10036, serves as legal counsel to the Fund.

# Financial Highlights

The Financial Highlights table is intended to help you understand the Fund's financial performance for the last five years. Certain information shows the results of an investment in one share of the Fund. The total returns in the table represent the rate that an investor would have earned on an investment in the Fund (assuming reinvestment of all dividends and distributions). The total returns in the tables do not reflect the deduction of account fees and charges that apply to separate accounts or related insurance policies; these fees and charges would reduce the total return figures for all periods shown.

These financial highlights reflect historical information about Class A shares of the Fund. The financial highlights were audited by PricewaterhouseCoopers LLP, whose report, along with the financial statements of the Fund, are included in the Fund's annual report, which is available by calling your participating insurance company.

Diversified Stock Fund					
	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
<b>Net Asset Value, Beginning of Period</b>	\$ 13.19	\$ 13.09	\$ 11.92	\$ 10.97	\$ 10.06
Investment Activities:					
Net investment income	0.08	0.08	0.04	0.02	0.06
Net realized and unrealized gains (losses) on investments	(4.45)	1.23	1.53	0.94	0.91
Total from Investment Activities	(4.37)	1.31	1.57	0.96	0.97
Distributions:					
Net investment income	(0.08)	(0.09)	(0.04)	(0.01)	(0.06)
Net realized gains on investments	(1.78)	(1.12)	(0.36)	—	—
Total Distributions	(1.86)	(1.21)	(0.40)	(0.01)	(0.06)
<b>Net Asset Value, End of Period</b>	\$ 6.96	\$ 13.19	\$ 13.09	\$ 11.92	\$ 10.97
Total Return	(37.87)%	9.95%	13.68%	8.75%	9.67%
<b>Ratios/Supplemental Data:</b>					
Net Assets at end of period (000)	\$33,205	\$52,839	\$49,870	\$40,646	\$27,823
Ratio of expenses to average net assets	1.20%	1.24%	1.12%	1.40%	1.50%
Ratio of net investment income to average net assets	0.79%	0.57%	0.33%	0.15%	0.65%
Ratio of expenses to average net assets (a)	1.22%	1.24%	1.12%	1.47%	1.76%
Ratio of net investment income to average net assets (a)	0.77%	0.57%	0.33%	0.08%	0.39%
Portfolio turnover	132%	104%	107%	83%	103%

(a) During the period, certain fees were reduced and/or reimbursed. If such fee reductions and/or reimbursements had not occurred, the ratios would have been as indicated.

# Victory Variable Insurance Funds



**If you would like a free copy of any of the following documents or would like to request other information regarding the Fund, you can call or write your participating insurance company.**

**Statement of Additional Information (SAI)** – Contains more details describing the Fund and its policies. The SAI has been filed with the Securities and Exchange Commission (SEC), and is incorporated by reference in this Prospectus.

**Annual and Semi-annual Reports** – Provide additional information about the Fund's investments. The annual report discusses market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

To obtain copies of the SAI, Annual and Semi-Annual Reports, or more information at no charge, please call your participating insurance company.

## **How to Obtain Information**

**By telephone:** Call your participating insurance company at the toll free number listed in the separate account prospectus.

**By mail:** You may write to your participating insurance company at the address listed in the separate account prospectus.

You also may obtain copies of materials from the SEC's Public Reference Room in Washington, D.C. (Call 1-202-551-8090 for information on the operation of the SEC's Public Reference Room.) Copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

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