



BTS TACTICAL FIXED INCOME VIT FUND

Annual Report
December 31, 2018

1-877-BTS-9820
(1-877-287-9820)

www.btsfunds.com

Distributed by Northern Lights Distributors, LLC
Member FINRA

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Fund's shareholder reports like this one will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website www.btsfunds.com, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by following the instructions included with paper Fund documents that have been mailed to you.

Dear Valued Shareholder,

As CEO of BTS Asset Management (“BTS”), I would like to thank you for investing with the BTS Tactical Fixed Income VIT Fund (the “Fund”) and take a moment to review developments related to the Fund, including strategies we’ve employed, recent returns and our vision for 2019.

The Fund was allocated to high yield bonds during the fourth quarter 2018. On December 20, 2018 BTS’ Investment Model for High Yield Bonds turned negative and a sell was executed. From the initial buy to December 20, 2018 high yield bonds moved gradually lower. Drawdown tolerance in the investment model was reached on December 20, 2018 resulting in the “sell” execution.

The ‘sell’ came as risk assets declined into the December 19, 2018 Federal Reserve meeting wherein short term interest rates were increased. The markets did not rally on the statement from the Federal Reserve or the subsequent news conference, but continued to decline on December 19, 2018 and December 20, 2018. As selling pressure pushed risk assets lower, the high yield bond market also sold off and a stop-loss was initiated as BTS indicators moved to new lows.

As of the close of December 31, 2018, the Fund’s Class 2 Shares lost 6.17% YTD compared to its benchmark, the Bloomberg Barclays US Aggregate Bond Index, which returned 0.01% for the year. The Fund underperformed its benchmark due to extreme volatility in risk assets. The VIX, which measures the implied volatility of stock options, spiked to a 33-37% level, which represents a high level of volatility that the Fund was required to navigate.

The high yield bond sector can move down 20-40% or more as recession, or risk of recession, is priced in. Conversely, the high yield sector can gain 20-40% from its lows as a rebuilding process leads to multi-month gains. This can happen as credit spreads get overly extended before the economy moves out of recession or high yields rally after concerns of a significant slowdown.

Whenever preservation of capital is a part of a strategy’s mandate, defense is preferable to experiencing sustained volatility in order to seek to avoid losses. Such a strategy may miss some gains off price lows as markets shift back to ‘risk on.’

Despite recent performance our outlook remains positive, as the BTS models continue to be fine-tuned to handle any market, including any similar volatility that may occur in 2019. That said, we remain cautious. Indeed, while indicators and the investment model have responded to recent price gains, volatility levels remain high, meaning there is a significant risk to re-entry, especially considering the short duration of the rally. Our price-filtering indicators are designed to try and avoid risk and premature re-entry. Moving forward we will look for sustained strength, as it is historically a prelude to a stable, multi-month price trend.

In general, **we continue to believe at our core that an ‘unconstrained approach,’ wherein BTS can go to cash to preserve capital and take a limited short position in an attempt to enhance returns continues to make sense during periods of volatility.** A short position involves the sale of a borrowed security, commodity or currency with the expectation that the asset will fall in value. BTS’ fluid model approach is designed to be cognizant of periods of volatility and to invest on confirmation of strong price trends. Consequently, our indicators place investor assets upon confirmation of stronger underpinnings, and move defensively during volatility in the financial markets and bond sectors.

Whenever trading and investing systems seek preservation of capital there may be times of defense investing wherein returns are missed in preference for safety of assets. In the long run, over 38 years of investing with this type of strategy with BTS Indicators, our investment team has created competitive returns through an ‘unconstrained approach’ rather than passive investing

Of course, there is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.

Thank you for choosing the BTS Tactical Fixed Income VIT Fund and good luck in 2019!

Sincerely,

Matthew Pastis CMT

CEO, BTS Asset Management

The Bloomberg Barclays Capital U.S. Aggregate Bond Index is comprised of government securities, mortgage-backed securities, asset-backed securities and corporate securities with maturities of one year or more to simulate the universe of bonds in the market. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

6155-NLD-02/06/2019

BTS Tactical Fixed Income VIT Fund

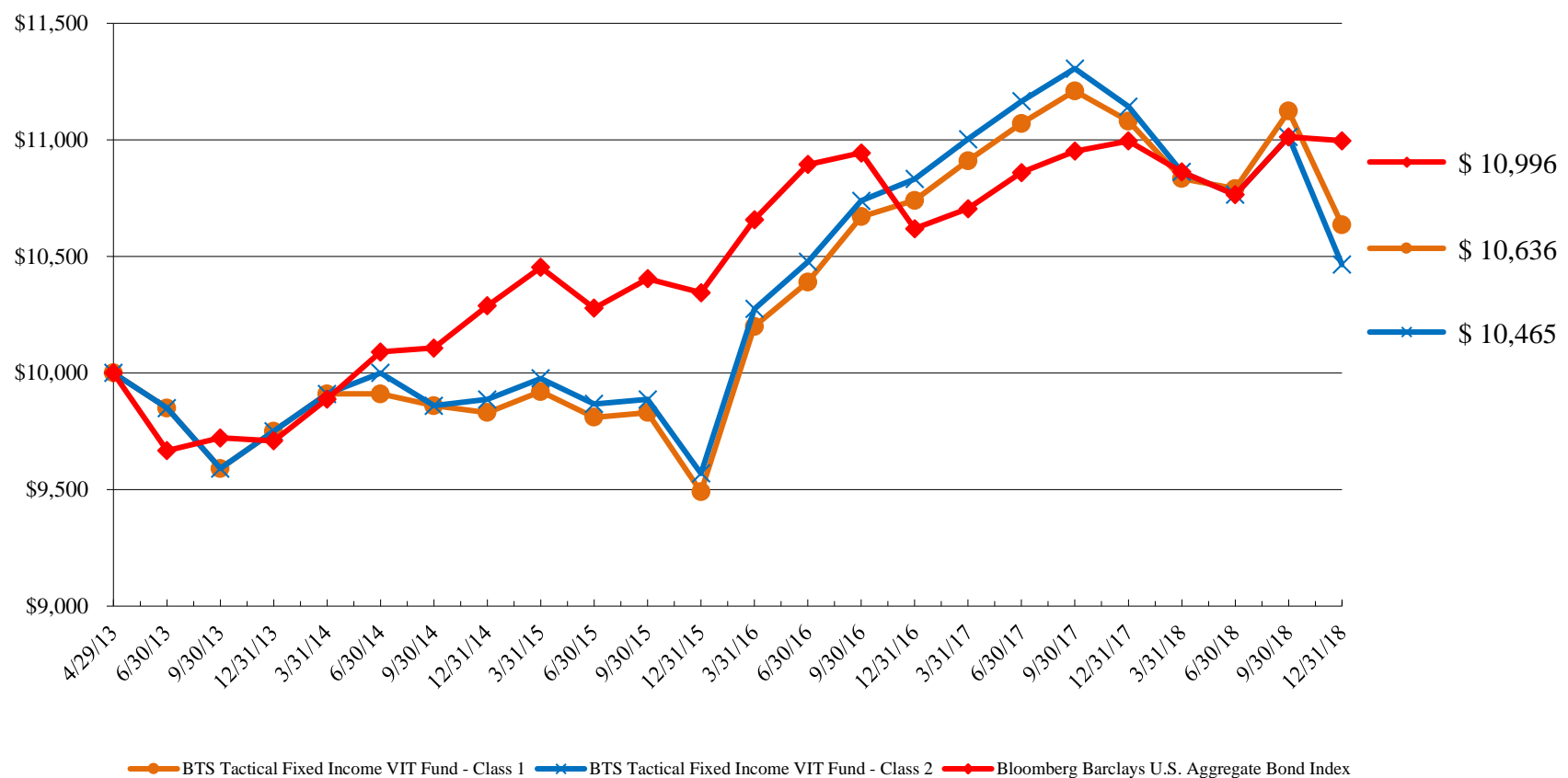
PORTFOLIO REVIEW (Unaudited)

December 31, 2018

The Fund's performance figures* for the periods ended December 31, 2018, compared to its benchmark:

	One Year	Annualized Five Year	Annualized Since Inception **
BTS Tactical Fixed Income VIT Fund - Class 1	(4.00)%	1.76%	1.09%
BTS Tactical Fixed Income VIT Fund - Class 2	(6.17)%	1.43%	0.80%
Bloomberg Barclays U.S. Aggregate Bond Index***	0.01%	2.52%	1.69%

Comparison of the Change in Value of a \$10,000 Investment



* The performance data quoted is historical. **Past performance is no guarantee of future results.** Current performance may be higher or lower than the performance data quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or on the redemptions of Fund shares as well as other charges and expenses of the insurance contract, or separate account. The total gross operating expenses as stated in the fee table to the Fund's prospectus dated May 1, 2018 are 1.67% and 2.17% for Class 1 and Class 2 shares, respectively. For performance information current to the most recent month-end, please call 1-877-287-9820.

** Inception date is April 29, 2013.

*** The Bloomberg Barclays U.S. Aggregate Bond Index is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes U.S. Treasury securities, government agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in U.S. dollars. The index was formerly known as the Barclays Capital U.S. Aggregate Bond Index and is still commonly referred to as such. Unlike a mutual fund, an index does not reflect any trading costs or management fees. Investors cannot directly invest in an index.

Portfolio Composition as of December 31, 2018

<u>Holdings By Asset Type</u>	<u>% of Net Assets</u>
Money Market Funds	100.2%
Liabilities in Excess of Other Assets	(0.2)%
	100.0%

Please refer to the Portfolio of Investments in this annual report for a detailed listing of the Fund's holdings.

BTS Tactical Fixed Income VIT Fund
PORTFOLIO OF INVESTMENTS
December 31, 2018

Shares		Fair Value
	SHORT-TERM INVESTMENTS - 100.2 %	
	MONEY MARKET FUNDS - 100.2 %	
1,544	BlackRock Liquidity Funds Treasury Trust Fund Portfolio - Institutional Class, 2.22% *	\$ 1,544
80	Dreyfus Cash Management - Institutional Class, 2.53% *	80
6,101,635	Dreyfus Government Cash Management - Institutional Class, 2.29% *	6,101,635
6,101,620	Federated Government Obligations Fund - Institutional Class, 2.26% *	6,101,620
6,288,598	Fidelity Investments Money Market Funds - Government Portfolio - Institutional Class, 2.25% *	6,288,598
6,101,651	Goldman Sachs Financial Square Funds - Government Fund - Institutional Class, 2.34% *	6,101,651
6,100,304	Morgan Stanley Institutional Liquidity Fund - Prime Portfolio - Institutional Class, 2.58% *	6,100,304
	TOTAL MONEY MARKET FUNDS (Cost \$30,695,432)	<u>30,695,432</u>
	 TOTAL INVESTMENTS - 100.2 % (Cost \$30,695,432)	 \$ 30,695,432
	LIABILITIES IN EXCESS OF OTHER ASSETS - (0.2) %	<u>(67,065)</u>
	NET ASSETS - 100.0 %	<u>\$ 30,628,367</u>

* Money market fund; interest rate reflects seven-day effective yield on December 31, 2018.

BTS Tactical Fixed Income VIT Fund
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2018

ASSETS

Investment securities:	
At cost	\$ 30,695,432
At value	\$ 30,695,432
Interest receivable	15,189
Prepaid expenses and other assets	313
TOTAL ASSETS	30,710,934

LIABILITIES

Investment advisory fees payable	22,410
Distribution (12b-1) fees payable	13,182
Payable for Fund shares repurchased	10,610
Payable to related parties	7,591
Accrued expenses and other liabilities	28,774
TOTAL LIABILITIES	82,567

NET ASSETS	\$ 30,628,367
-------------------	----------------------

Net Assets Consist Of:

Paid in capital (\$0 par value, unlimited shares authorized)	\$ 32,798,757
Accumulated deficit	(2,170,390)

NET ASSETS	\$ 30,628,367
-------------------	----------------------

Net Asset Value Per Share:

Class 1 Shares:

Net Assets	\$ 11
Shares of beneficial interest outstanding	1
Net asset value, offering and redemption price per share (Net assets/Shares of beneficial interest)	\$ 9.45 (a)

Class 2 Shares:

Net Assets	\$ 30,628,356
Shares of beneficial interest outstanding	3,308,569
Net asset value, offering and redemption price per share (Net assets/Shares of beneficial interest)	\$ 9.26

(a) NAV does not recalculate due to rounding of net assets and shares.

BTS Tactical Fixed Income VIT Fund
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018

INVESTMENT INCOME	
Dividends	\$ 1,390,221
Interest	149,694
TOTAL INVESTMENT INCOME	<u>1,539,915</u>
EXPENSES	
Investment advisory fees	312,359
Distribution (12b-1) fees:	
Class 2	183,740
Professional fees	35,829
Transfer agent fees	29,247
Accounting services fees	22,190
Compliance officer fees	20,246
Administrative services fees	9,738
Printing and postage expenses	13,001
Trustees' fees and expenses	10,977
Custodian fees	6,500
Insurance expense	1,000
Other expenses	2,659
TOTAL EXPENSES	<u>647,486</u>
NET INVESTMENT INCOME	<u>892,429</u>
NET REALIZED LOSS ON INVESTMENTS	<u>(3,062,161)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$ (2,169,732)</u></u>

See accompanying notes to financial statements.

BTS Tactical Fixed Income VIT Fund

STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
FROM OPERATIONS		
Net investment income	\$ 892,429	\$ 950,563
Net realized gain (loss) from investments	(3,062,161)	526,795
Net change in unrealized depreciation on investments	-	(316,924)
Net increase (decrease) in net assets resulting from operations	<u>(2,169,732)</u>	<u>1,160,434</u>
DISTRIBUTIONS TO SHAREHOLDERS		
From net investment income:		
Class 1	-	(0) (a)
Class 2	-	(923,306)
From net realized gains		
Class 1	-	(0) (a)
Class 2	-	(1,721,960)
Total distributions paid *		
Class 1	(1)	-
Class 2	(1,427,796)	-
Net decrease in net assets from distributions to shareholders	<u>(1,427,797)</u>	<u>(2,645,266)</u>
FROM SHARES OF BENEFICIAL INTEREST		
Proceeds from shares sold:		
Class 2	11,546,641	18,971,753
Net asset value of shares issued in reinvestment of dividends and distributions to shareholders:		
Class 1	1	0 (a)
Class 2	1,427,796	2,645,266
Payments for shares redeemed:		
Class 2	(19,420,576)	(16,157,102)
Net increase (decrease) in net assets from shares of beneficial interest	<u>(6,446,138)</u>	<u>5,459,917</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	(10,043,667)	3,975,085
NET ASSETS		
Beginning of Year	40,672,034	36,696,949
End of Year **	<u><u>\$ 30,628,367</u></u>	<u><u>\$ 40,672,034</u></u>
SHARE ACTIVITY		
Class 1:		
Share Reinvested	0 (b)	0 (b)
Net increase in shares of beneficial interest outstanding	<u>0 (b)</u>	<u>0 (b)</u>
Class 2:		
Shares Sold	1,140,744	1,732,944
Shares Reinvested	150,770	255,580
Shares Redeemed	(1,918,140)	(1,471,020)
Net increase (decrease) in shares of beneficial interest outstanding	<u>(626,626)</u>	<u>517,504</u>

(a) Total distribution/reinvestment amount is less than \$1.00.

(b) Total shares reinvested is less than 1 share.

* Distributions from net investment income and net realized capital gains are combined for the year ended December 31, 2018.

See "New Accounting Pronouncements" in the Notes to Financial Statements for more information. The dividends and distributions to shareholders for the year ended December 31, 2017 have not been reclassified to conform to the current year presentation.

** Net Assets- End of Year includes undistributed net investment income of \$950,392 as of December 31, 2017.

See accompanying notes to financial statements.

BTS Tactical Fixed Income VIT Fund

FINANCIAL HIGHLIGHTS

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout each Year Presented

	Class 1				
	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Net asset value, beginning of year	\$ 10.36	\$ 10.74	\$ 9.49	\$ 9.83	\$ 9.75
Activity from investment operations:					
Net investment income (1)	0.18	0.28	0.17	0.16	0.00 (2)
Net realized and unrealized gain (loss) on investments	(0.58)	0.06	1.08	(0.50)	0.08
Total from investment operations	(0.40)	0.34	1.25	(0.34)	0.08
Less distributions from:					
Net investment income	(0.36)	(0.25)	-	-	-
Net realized gains	(0.15)	(0.47)	-	-	-
Total distributions	(0.51)	(0.72)	-	-	-
Net asset value, end of year	\$ 9.45	\$ 10.36	\$ 10.74	\$ 9.49	\$ 9.83
Total return (3)	(4.00)%	3.17%	13.17%	(3.46)%	0.82%
Net assets, end of year	\$ 11	\$ 11	\$ 11	\$ 10	\$ 10
Ratio of gross expenses to average net assets before waiver/recapture (4,5)	1.26%	1.30%	1.30%	1.51%	1.71%
Ratio of net expenses to average net assets after waiver/recapture (4)	1.26%	1.30%	1.30%	1.64%	1.71%
Ratio of net investment income to average net assets (4,6)	2.93%	2.92%	3.20%	0.54%	0.85%
Portfolio Turnover Rate	300%	28%	289%	627%	207%

(1) Per share amounts calculated using the average shares method, which appropriately presents the per share data for the period.

(2) Less than \$0.005.

(3) Total returns shown are historical in nature and assume changes in share price and reinvestment of dividends and capital gain distributions, if any.

(4) The ratios of expenses and net investment income to average net assets do not reflect the Fund's proportionate share of income and expenses of underlying investments companies in which the Fund invests.

(5) Represents the ratio of expenses to average net assets absent fee waivers and/or fees recaptured by the advisor and/or administrator.

(6) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investments in which the Fund invests.

BTS Tactical Fixed Income VIT Fund

FINANCIAL HIGHLIGHTS

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout each Year Presented

	Class 2				
	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Net asset value, beginning of year	\$ 10.34	\$ 10.74	\$ 9.49	\$ 9.83	\$ 9.75
Activity from investment operations:					
Net investment income (1)	0.24	0.27	0.28	0.00 (2)	0.03
Net realized and unrealized gain (loss) on investments	(0.87)	0.05	0.97	(0.32)	0.11
Total from investment operations	(0.63)	0.32	1.25	(0.32)	0.14
Less distributions from:					
Net investment income	(0.30)	(0.25)	(0.00) (2)	(0.02)	(0.06)
Net realized gains	(0.15)	(0.47)	-	-	-
Total distributions	(0.45)	(0.72)	(0.00) (2)	(0.02)	(0.06)
Net asset value, end of year	\$ 9.26	\$ 10.34	\$ 10.74	\$ 9.49	\$ 9.83
Total return (3)	(6.17)%	2.97%	13.19%	(3.21)%	1.40%
Net assets, end of year (000s)	\$ 30,628	\$ 40,672	\$ 36,697	\$ 18,824	\$ 15,671
Ratio of gross expenses to average net assets before waiver/recapture (4,5)	1.76%	1.80%	1.80%	2.01%	2.21%
Ratio of net expenses to average net assets after waiver/recapture (4)	1.76%	1.80%	1.80%	2.14%	2.21%
Ratio of net investment income to average net assets (4,6)	2.43%	2.42%	2.70%	0.04%	0.35%
Portfolio Turnover Rate	300%	28%	289%	627%	207%

(1) Per share amounts calculated using the average shares method, which appropriately presents the per share data for the period.

(2) Less than \$0.005.

(3) Total returns shown are historical in nature and assume changes in share price and reinvestment of dividends and capital gain distributions, if any.

(4) The ratios of expenses and net investment income to average net assets do not reflect the Fund's proportionate share of income and expenses of underlying investments companies in which the Fund invests.

(5) Represents the ratio of expenses to average net assets absent fee waivers and/or fees recaptured by the advisor and/or administrator.

(6) Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying investments in which the Fund invests.

BTS Tactical Fixed Income VIT Fund

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. ORGANIZATION

The BTS Tactical Fixed Income VIT Fund (the “Fund”) is a diversified series of shares of beneficial interest of Northern Lights Variable Trust (the “Trust”), a trust organized on November 2, 2005 under the laws of the State of Delaware and registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Fund’s investment objective is to seek total return. The Fund commenced operations on April 29, 2013.

The Fund currently offers two classes of shares: Class 1 shares and Class 2 shares. Class 1 and Class 2 shares are offered at net asset value. Each class of shares of the Fund has identical rights and privileges except with respect to arrangements pertaining to shareholder servicing or distribution, class-related expenses, voting rights on matters affecting a single class of shares, and the exchange privilege of each class of shares. The Fund’s share classes differ in the fees and expenses charged to shareholders. The Fund’s income, expenses (other than class specific distribution fees) and realized and unrealized gains and losses are allocated proportionately each day based upon the relative net assets of each class.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with 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. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 “Financial Services – Investment Companies”.

Securities Valuation – Securities listed on an exchange are valued at the last reported sale price at the close of the regular trading session of the primary exchange on the business day the value is being determined, or in the case of securities listed on NASDAQ at the NASDAQ Official Closing Price (“NOCP”). In the absence of a sale, such securities shall be valued at the mean between the current bid and ask prices on the day of valuation. Futures and future options are valued at the final settled price or, in the absence of a settled price, at the last sale price on the day of valuation. Debt securities (other than short-term obligations) are valued each day by an independent pricing service approved by the Trust’s Board of Trustees (the “Board”) based on methods which include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type, indications as to values from dealers, and general market conditions or market quotations from a major market maker in the securities. Investments valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from pricing services. Short-term debt obligations having 60 days or less remaining until maturity, at time of purchase, may be valued at amortized cost.

Valuation of Underlying Funds - The Fund may invest in portfolios of open-end or closed-end investment companies (the “Underlying Funds”). The Underlying Funds value securities in their portfolios for which market quotations are readily available at their market values (generally the last reported sale price) and all other securities and assets at their fair value to the methods established by the board of directors of the Underlying Funds.

Open-end investment companies are valued at their respective net asset values as reported by such investment companies. The shares of many closed-end investment companies, after their initial public offering, frequently trade at a price per share, which is different than the net asset value per share. The difference represents a market premium or market discount of such shares. There can be no assurance that the market discount or market premium on shares of any closed-end investment company purchased by the Fund will not change.

The Fund may hold securities, such as private investments, interests in commodity pools, other non-traded securities or temporarily illiquid securities, for which market quotations are not readily available or are determined to be unreliable. These securities will be valued using the “fair value” procedures approved by the Board. The Board has delegated execution of these procedures to a fair value committee composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) advisor. The committee may also enlist third party consultants such as a valuation specialist at a public accounting firm, valuation consultant or financial officer of a security issuer on an as-needed basis to assist in determining a security-specific fair value. The Board reviews and ratifies the execution of this process and the resultant fair

BTS Tactical Fixed Income VIT Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2018

value prices at least quarterly to assure the process produces reliable results.

Fair Valuation Process – As noted above, the fair value committee is composed of one or more representatives from each of the (i) Trust, (ii) administrator, and (iii) advisor. The applicable investments are valued collectively via inputs from each of these groups. For example, fair value determinations are required for the following securities: (i) securities for which market quotations are insufficient or not readily available on a particular business day (including securities for which there is a short and temporary lapse in the provision of a price by the regular pricing source), (ii) securities for which, in the judgment of the advisor, the prices or values available do not represent the fair value of the instrument. Factors which may cause the advisor to make such a judgment include, but are not limited to, the following: only a bid price or an asked price is available; the spread between bid and asked prices is substantial; the frequency of sales; the thinness of the market; the size of reported trades; and actions of the securities markets, such as the suspension or limitation of trading; (iii) securities determined to be illiquid; (iv) securities with respect to which an event that will affect the value thereof has occurred (a “significant event”) since the closing prices were established on the principal exchange on which they are traded, but prior to the Fund’s calculation of its net asset value. Specifically, interests in commodity pools or managed futures pools are valued on a daily basis by reference to the closing market prices of each futures contract or other asset held by a pool, as adjusted for pool expenses. Restricted or illiquid securities, such as private investments or non-traded securities are valued via inputs from the advisor based upon the current bid for the security from two or more independent dealers or other parties reasonably familiar with the facts and circumstances of the security (who should take into consideration all relevant factors as may be appropriate under the circumstances). If the advisor is unable to obtain a current bid from such independent dealers or other independent parties, the fair value committee shall determine the fair value of such security using the following factors: (i) the type of security; (ii) the cost at date of purchase; (iii) the size and nature of the Fund’s holdings; (iv) the discount from market value of unrestricted securities of the same class at the time of purchase and subsequent thereto; (v) information as to any transactions or offers with respect to the security; (vi) the nature and duration of restrictions on disposition of the security and the existence of any registration rights; (vii) how the yield of the security compares to similar securities of companies of similar or equal creditworthiness; (viii) the level of recent trades of similar or comparable securities; (ix) the liquidity characteristics of the security; (x) current market conditions; and (xi) the market value of any securities into which the security is convertible or exchangeable.

The Fund utilizes various methods to measure the fair value of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of input are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities that the Fund has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

BTS Tactical Fixed Income VIT Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following tables summarize the inputs used as of December 31, 2018 for the Fund's investments measured at fair value:

Assets	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 30,695,432	\$ -	\$ -	\$ 30,695,432
Total	\$ 30,695,432	\$ -	\$ -	\$ 30,695,432

The Fund did not hold any Level 2 or Level 3 securities during the year.

Exchange Traded Funds – The Fund may invest in exchange traded funds (“ETFs”). ETFs are a type of index fund bought and sold on a securities exchange. An ETF trades like common stock and represents a fixed portfolio of securities designed to track the performance and dividend yield of a particular domestic or foreign market index. The Fund may purchase an ETF to gain exposure to a portion of the U.S. or a foreign market. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of liquidity on an ETF could result in it being more volatile. Additionally, ETFs have fees and expenses that reduce their value.

Security Transactions and Related Income – Security transactions are accounted for on the trade date. Interest income is recognized on an accrual basis. Discounts are accreted and premiums are amortized on securities purchased over the lives of the respective securities. Dividend income is recorded on the ex-dividend date. Realized gains or losses from sales of securities are determined by comparing the identified cost of the security lot sold with the net sales proceeds. The accounting records are maintained in U.S. dollars.

Dividends and Distributions to Shareholders – Dividends from net investment income, if any, are declared and paid quarterly. Distributable net realized capital gains, if any, are declared and distributed annually. Dividends from net investment income and distributions from net realized gains are recorded on ex-dividend date and are determined in accordance with Federal income tax regulations, which may differ from GAAP. These “book/tax” differences are considered either temporary (i.e., deferred losses, capital loss carry forwards) or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their Federal tax-basis treatment; temporary differences do not require reclassification. These reclassifications have no effect on net assets, results from operations or net asset value per share of the Fund.

Federal Income Tax – It is the Fund's policy to continue to qualify as a regulated investment company by complying with the provisions of the Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all of its taxable income and net realized gains to shareholders. Therefore, no Federal income tax provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years ended December 31, 2015 to December 31, 2017, or expected to be taken in the Fund's December 31, 2018 year end tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal, and Nebraska, and foreign jurisdictions where the Fund makes significant investments. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

Expenses – Expenses of the Trust that are directly identifiable to a specific fund are charged to that fund. Expenses which are not readily identifiable to a specific fund are allocated in such a manner as deemed equitable, taking into consideration the nature and type of expense and the relative sizes of the funds in the Trust.

Indemnification – The Trust indemnifies its officers and Trustees for certain liabilities that may arise from the performance of their duties to the Trust. Additionally, in the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties and which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the risk of loss due to these warranties and indemnities appears to be remote.

BTS Tactical Fixed Income VIT Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2018

Cash and Cash Equivalents – Cash and cash equivalents are held with a financial institution. The asset of the Fund may be placed in deposit accounts at U.S. banks and such deposits generally exceed Federal Deposit Insurance Corporation (“FDIC”) insurance limits. The FDIC insures deposit accounts up to \$250,000 for each account holder. The counterparty is generally a single bank rather than a group of financial institutions; thus there may be a greater counterparty credit risk. The Fund places deposits only with those counterparties which are believed to be creditworthy and there has been no history of loss.

3. INVESTMENT TRANSACTIONS

For the year ended December 31, 2018, cost of purchases and proceeds from sales of portfolio securities, other than short-term investments, amounted to \$109,510,664 and \$106,448,503, respectively.

4. INVESTMENT ADVISORY AGREEMENT AND TRANSACTIONS WITH RELATED PARTIES

BTS Asset Management, Inc. serves as the Fund’s investment advisor (the “Advisor”). Pursuant to an investment advisory agreement with the Trust, on behalf of the Fund, the Advisor, under the oversight of the Board, directs the daily operations of the Fund and supervises the performance of administrative and professional services provided by others. As compensation for its services and the related expenses borne by the Advisor, the Fund pays the Advisor an investment advisory fee, computed and accrued daily and paid monthly, at an annual rate of 0.85% of the Fund’s average daily net assets. For the year ended December 31, 2018, the Advisor earned advisory fees of \$312,359.

The Adviser has contractually agreed to waive its management fees and to make payments to limit Portfolio expenses, until April 30, 2020 so that the total annual operating expenses excluding (i) any front-end or contingent deferred loads; (ii) brokerage fees and commissions; (iii) acquired fund fees and expenses; (iv) fees and expenses associated with investments in other collective investment vehicles or derivative instruments (including for example options and swap fees and expenses); (v) borrowing costs (such as interest and dividend expense on securities sold short); (vi) taxes; and (vii) extraordinary expenses, such as litigation expenses (which may include indemnification of Portfolio officers and Trustees, contractual indemnification of Portfolio service providers (other than the Adviser)) of the Portfolio do not exceed 2.00% and 2.50% for Class 1 and Class 2 shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment from the Portfolio in future years (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the foregoing expense limits. This agreement may be terminated only by the Portfolio’s Board of Trustees, on 60 days’ written notice to the adviser. During the year ended December 31, 2018 the advisor did not waive any fees. As of December 31, 2018 there are no previously waived fees available for recapture.

Distributor – The distributor of the Fund is Northern Lights Distributors, LLC (the “Distributor”). The Trust has adopted, on behalf of the Fund, the Trust’s Master Distribution and Shareholder Servicing Plan (the “Plan”), pursuant to Rule 12b-1 under the 1940 Act, to pay for certain distribution activities and shareholder services. Under the Plan, the Fund may pay 0.50% per year of the average daily net assets of Class 2 shares. For the year ended December 31, 2018, the Fund incurred distribution fees under the Plan of \$183,740 for Class 2 shares.

The Distributor acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s Class 1 and Class 2 shares and is an affiliate of GFS. For the year ended December 31, 2018, the Distributor did not receive any underwriting commissions for sales of the Fund’s shares.

In addition, certain affiliates of the Distributor provide services to the Fund as follows:

Gemini Fund Services, LLC (“GFS”), an affiliate of the Distributor, provides administration, fund accounting, and transfer agent services to the Trust. Pursuant to separate servicing agreements with GFS, the Fund pays GFS customary fees for providing administration, fund accounting and transfer agency services to the Fund. Certain officers of the Trust are also officers of GFS, and are not paid any fees directly by the Fund for serving in such capacities.

Northern Lights Compliance Services, LLC (“NLCS”), an affiliate of GFS and the Distributor, provides a Chief Compliance Officer to the Trust, as well as related compliance services, pursuant to a consulting agreement between NLCS and the Trust. Under the terms of such agreement, NLCS receives customary fees from the Fund.

BTS Tactical Fixed Income VIT Fund

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2018

Blu Giant, LLC (“Blu Giant”), an affiliate of GFS and the Distributor, provides EDGAR conversion and filing services as well as print management services for the Fund on an ad-hoc basis. For the provision of these services, Blu Giant receives customary fees from the Fund.

5. AGGREGATE UNREALIZED APPRECIATION AND DEPRECIATION – TAX BASIS

Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
\$ 30,695,432	\$ -	\$ -	\$ -

6. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL

The tax character of distributions paid during the fiscal years ended December 31, 2018 and December 31, 2017 was as follows:

	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2017
Ordinary Income	\$ 1,151,613	\$ 2,645,266
Long-Term Capital Gain	276,184	-
Return of Capital	-	-
	<u>\$ 1,427,797</u>	<u>\$ 2,645,266</u>

As of December 31, 2018, the components of accumulated earnings/ (deficit) on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-Term Gains	Post October Loss and Late Year Loss	Capital Loss Carry Forwards	Other Book/Tax Differences	Unrealized Appreciation/ (Depreciation)	Total Accumulated Earnings/(Deficits)
\$ 891,771	\$ -	\$ -	\$ (3,062,161)	\$ -	\$ -	\$ (2,170,390)

At December 31, 2018, the Fund had capital loss carry forwards for federal income tax purposes available to offset future capital gains as follows:

Expiring	Non-Expiring Short-Term	Non-Expiring Long-Term	Total	CLCF Utilized
\$ -	\$ 3,062,161	\$ -	\$ 3,062,161	\$ -

7. CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates presumption of control of the Fund, under Section 2(a)(9) of the 1940 Act. As of December 31, 2018, Nationwide Life Insurance Co. held approximately 68.4% of the voting securities for the benefit of others. As of December 31, 2018, Jefferson National Life Insurance Co. held approximately 31.6% of the voting securities for the benefit of others.

8. NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, the Securities and Exchange Commission adopted amendments to certain disclosure requirements under Regulation S-X to conform to US GAAP, including: (i) an amendment to require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities; and (ii) an amendment to require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, on the Statements of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statements of Changes in Net Assets. These amendments have been adapted with these financial statements.

BTS Tactical Fixed Income VIT Fund
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2018

In August 2018, the FASB issued Accounting Standards Update (“ASU”) No. 2018-13, which changes certain fair value measurement disclosure requirements. The new ASU, in addition to other modifications and additions, removes the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, and the policy for the timing of transfers between levels. For investment companies, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is allowed. At this time, management is evaluating the implications of the ASU and any impact on the financial statement disclosures.

9. SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has determined that no events or transactions occurred requiring adjustment or disclosure in the financial statements, other than the following. Effective February 1, 2019, NorthStar Financial Services Group, LLC, the parent company of Gemini Fund Services, LLC (“GFS”) and its affiliated companies including Northern Lights Distributors, LLC (“NLD”), Northern Lights Compliance Services, LLC (“NLCS”) and Blu Giant, LLC (“Blu Giant”) (collectively, the “Gemini Companies”), sold its interest in the Gemini Companies to a third party private equity firm that contemporaneously acquired Ultimus Fund Solutions, LLC (an independent mutual fund administration firm) and its affiliates (collectively, the “Ultimus Companies”). As a result of these separate transactions, the Gemini Companies and the Ultimus Companies are now indirectly owned through a common parent entity, The Ultimus Group, LLC.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of Northern Lights Variable Trust
and the Shareholders of BTS Tactical Fixed Income VIT Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio of investments, of BTS Tactical Fixed Income VIT Fund (the Fund), a series of the Northern Lights Variable Trust, as of December 31, 2018, and the related statements of operations, changes in net assets, and financial highlights for the year then ended, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2018, and the results of its operations, changes in net assets, and financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The statement of changes in net assets of the Fund for the year ended December 31, 2017, and the financial highlights for the years ended December 31, 2017, December 31, 2016, December 31, 2015, and December 31, 2014 for the Fund were audited by other auditors whose report dated February 15, 2018 expressed an unqualified opinion on the financial statements.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. 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 Fund in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit 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. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit 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 audit 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 investments owned as of December 31, 2018, by correspondence with the custodians and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audit provides a reasonable basis for our opinion.

/s/ RSM US LLP

We have served as the auditor of the Fund since 2018.

Denver, Colorado
February 25, 2019

BTS Tactical Fixed Income VIT Fund

EXPENSE EXAMPLES (Unaudited)

December 31, 2018

As a shareholder of the Fund, you incur ongoing costs, including management fees; distribution and/or service (12b-1) fees; and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from July 1, 2018 through December 31, 2018.

Actual Expenses

The “Actual” expenses lines in the table below provides information about actual account values and actual expenses. You may use the information below, 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 table under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The “Hypothetical” expenses lines in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balances or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

The table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

Actual	Fund’s Annualized Expense Ratio	Beginning Account Value 7/1/18	Ending Account Value 12/31/18	Expense Paid During Period 7/1/18 – 12/31/18*
Class 1	1.20%	\$1,000.00	\$985.70	\$6.01
Class 2	1.70%	\$1,000.00	\$972.20	\$8.45
Hypothetical (5% return before expenses)	Fund’s Annualized Expense Ratio	Beginning Account Value 7/1/18	Ending Account Value 12/31/18	Expense Paid During Period 7/1/18 – 12/31/18*
Class 1	1.20%	\$1,000.00	\$1,019.16	\$6.11
Class 2	1.70%	\$1,000.00	\$1,016.64	\$8.64

* Expenses are equal to the Fund’s annualized expense ratio multiplied by the number of days in the period (184) divided by the number of days in the fiscal year (365).

BTS Tactical Fixed Income VIT Fund
SUPPLEMENTAL INFORMATION (Unaudited)
December 31, 2018

*BTS Tactical Fixed Income VIT Fund (Adviser – BTS Asset Management, Inc.)**

In connection with the regular meeting held on December 12-13, 2018 of the Board of Trustees (the “Trustees” or the “Board”) of the Northern Lights Fund Trust (the “Trust”), including a majority of the Trustees who are not “interested persons,” as that term is defined in the Investment Company Act of 1940, as amended, discussed the re-approval of an investment advisory agreement (the “Advisory Agreement”) between BTS Asset Management, Inc. (“Adviser”) and the Trust, with respect to the BTS Tactical Fixed Income VIT Fund (referred to as the “BTS VIT”). In considering the re-approval of the Advisory Agreement, the Board received materials specifically relating to the Advisory Agreement.

The Trustees were assisted by independent legal counsel throughout the Advisory Agreement review process. The Trustees relied upon the advice of independent legal counsel and their own business judgment in determining the material factors to be considered in evaluating the Advisory Agreement and the weight to be given to each such factor. The conclusions reached by the Trustees were based on a comprehensive evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee may have afforded different weight to the various factors in reaching his conclusions with respect to the Advisory Agreement.

Nature, Extent and Quality of Service. The Trustees noted that BTS managed approximately \$1.8 billion in assets. They considered that the adviser provided quantitative risk managed portfolio strategies that focused on capital preservation for a variety of clients including individuals, corporations, and pensions. They reviewed the background of key investment personnel responsible for servicing the Funds, taking into consideration their education and financial industry experience of the investment team noting their long careers in asset management. They noted the adviser utilized price and momentum driven proprietary quantitative models to determine which bond sectors and securities to select for a Fund’s portfolio, with an emphasis on risk management. They considered that the adviser had identified the various fixed income related risks and monitored the entire fixed income landscape, considering how it may affect the strategy. They noted the adviser monitored compliance with the Fund’s investment limitations using pre-trade checklists and daily position reports against a post-trade checklist to ensure compliance. They further noted the adviser considered best execution and selected broker-dealers based on an assessment of various service quality factors and product expertise. The Board noted the positives of the investment team’s longevity, experience and consistency of service over more than 30 years. They agreed that the adviser maintained adequate resources to support its operation and service to the Funds it managed. The Board concluded that the adviser had provided high quality service to the Funds.

Performance. With respect to BTS VIT, the Trustees noted it had performed in a similar fashion to BTS Tactical. They observed that the Fund underperformed its benchmark, peer group median, and Morningstar category median during the past year. They considered that BTS VIT had outperformed its benchmark over the 3, 5, and since inception periods, while performing in line with its peer group median and Morningstar category median over the same time periods. The Trustees noted the Fund did not appear to be taking excessive risk to achieve its returns. The Trustees agreed that the Fund appeared to be delivering reasonable rates of return while the adviser kept risk in mind.

Fees and Expenses. With respect to BTS VIT, the Trustees noted the adviser charged the Fund an advisory fee of 0.85%. The Trustees noted the advisory fee was lower than the Fund’s peer group median and slightly above the Morningstar category median but within the range of the category. The Trustees concluded that the advisory fee was not unreasonable.

BTS Tactical Fixed Income VIT Fund
SUPPLEMENTAL INFORMATION (Unaudited) (Continued)
December 31, 2018

Economies of Scale. The Trustees considered whether economies of scale had been realized in connection with the advisory services provided to each Fund. They noted the adviser's willingness to consider fee reductions as a Fund's assets continue to grow. The Trustees discussed the adviser's position on breakpoints and agreed to continue to monitor each Fund's asset levels and revisit the matter as each Fund continued to grow.

Profitability. The Trustees reviewed the profitability analysis provided by the adviser. They agreed that although the adviser realized a profit in connection with its relationship with each Fund, the adviser's profitability on a per Fund basis was not unreasonable given the resources and skill necessary to manage the Funds and that excessive profitability was not a concern at this time.

Conclusion. Having requested and received such information from the adviser as the Trustees believed to be reasonably necessary to evaluate the terms of the advisory agreements, and as assisted by the advice of counsel, the Trustees concluded that the fee structure was not unreasonable and that renewal of the advisory agreements was in the best interests of the Funds and the shareholders of BTS VIT.

*Due to the timing of the contract renewal schedule, these deliberations may or may not relate to the current performance results of the Fund.

BTS Tactical Fixed Income VIT Fund
SUPPLEMENTAL INFORMATION (Unaudited)

December 31, 2018

The following is a list of the Trustees and executive officers of the Trust and each person's principal occupation over the last five years. Unless otherwise noted, the address of each Trustee and Officer is 17605 Wright Street, Suite 2, Omaha, Nebraska 68130.

Independent Trustees

Name, Address and Year of Birth	Position/Term of Office*	Principal Occupation During the Past Five Years	Number of Portfolios in Fund Complex** Overseen by Trustee	Other Directorships held by Trustee During the Past Five Years
Mark Garbin Born in 1951	Trustee Since 2013	Managing Principal, Coherent Capital Management LLC (since 2007).	1	Northern Lights Fund Trust (for series not affiliated with the Funds since 2013); Two Roads Shared Trust (since 2012); Forethought Variable Insurance Trust (since 2013); Northern Lights Variable Trust (since 2013); OHA Mortgage Strategies Fund (offshore), Ltd. (2014 - 2017); and Altegris KKR Commitments Master Fund (since 2014); and OFI Carlyle Private Credit Fund (since March 2018)
Mark D. Gersten Born in 1950	Trustee Since 2013	Independent Consultant (since 2012); Senior Vice President – Global Fund Administration Mutual Funds & Alternative Funds, AllianceBernstein LP (1985 – 2011).	1	Northern Lights Fund Trust (for series not affiliated with the Funds since 2013); Northern Lights Variable Trust (since 2013); Two Roads Shared Trust (since 2012); Altegris KKR Commitments Master Fund (since 2014); previously, Ramius Archview Credit and Distressed Fund (2015-2017); and Schroder Global Series Trust (2012 to 2017)
Anthony J. Hertl Born in 1950	Trustee Since 2005; Chairman of the Board since 2013	Consultant to small and emerging businesses (since 2000).	1	Northern Lights Fund Trust (for series not affiliated with the Funds since 2005); Northern Lights Variable Trust (since 2006); Alternative Strategies Fund (since 2010); Satuit Capital Management Trust (since 2007); previously, AdvisorOne Funds (2004-2013); and The World Funds Trust (2010-2013)
Gary W. Lanzen Born in 1954	Trustee Since 2005	Retired since 2012. Formerly, Founder, President, and Chief Investment Officer, Orizon Investment Counsel, Inc. (2000-2012).	1	Northern Lights Fund Trust (for series not affiliated with the Funds since 2005) Northern Lights Variable Trust (since 2006); AdvisorOne Funds (since 2003); Alternative Strategies Fund (since 2010); and previously, CLA Strategic Allocation Fund (2014-2015)

BTS Tactical Fixed Income VIT Fund
SUPPLEMENTAL INFORMATION (Unaudited)(Continued)
December 31, 2018

Independent Trustees (Continued)

John V. Palancia Born in 1954	Trustee Since 2011	Retired (since 2011). Formerly, Director of Futures Operations, Merrill Lynch, Pierce, Fenner & Smith Inc. (1975-2011).	1	Northern Lights Fund Trust (for series not affiliated with the Funds since 2011); Northern Lights Fund Trust III (since February 2012); Alternative Strategies Fund (since 2012) and Northern Lights Variable Trust (since 2011)
Mark H. Taylor Born in 1964	Trustee Since 2007; Chairman of the Audit Committee since 2013	Chair, Department of Accountancy and Andrew D. Braden Professor of Accounting and Auditing, Weatherhead School of Management, Case Western Reserve University (since 2009); Vice President-Finance, American Accounting Association (2017-2020); President, Auditing Section of the American Accounting Association (2012-15). AICPA Auditing Standards Board Member (2009-2012). Former Academic Fellow, United States Securities and Exchange Commission (2005-2006).	1	Northern Lights Fund Trust (for series not affiliated with the Funds since 2007); Alternative Strategies Fund (since 2010); Northern Lights Fund Trust III (since 2012); and Northern Lights Variable Trust (since 2007).

BTS Tactical Fixed Income VIT Fund
SUPPLEMENTAL INFORMATION (Unaudited)(Continued)
December 31, 2018

Interested Trustees and Officers

Name, Address and Year of Birth	Position/Term of Office*	Principal Occupation During the Past Five Years	Number of Portfolios in Fund Complex** Overseen by Trustee	Other Directorships held by Trustee During the Past Five Years
Kevin E. Wolf 80 Arkay Drive Hauppauge, NY 11788 Born in 1969	President Since June 2017	President, Gemini Fund Services, LLC (since 2012); Director of Fund Administration, Gemini Fund Services, LLC (2006 - 2012); and Vice-President, Blu Giant, (2004 - 2013).	N/A	N/A
Richard Malinowski 80 Arkay Drive Hauppauge, NY 11788 Born in 1983	Vice President Since March 2018	Senior Vice President (since 2017); Vice President and Counsel (2016-2017) and Assistant Vice President (2012 – 2016), Gemini Fund Services, LLC	N/A	N/A
James Colantino 80 Arkay Drive Hauppauge, NY 11788 Born in 1969	Treasurer Since June 2017	Assistant Treasurer of the Trust (2006-June 2017); Senior Vice President - Fund Administration, Gemini Fund Services, LLC (2012-Present).	N/A	N/A
Stephanie Shearer 80 Arkay Drive Hauppauge, NY 11788 Born in 1979	Secretary Since February 2017	Assistant Secretary of the Trust (2012-February 2017); Manager of Legal Administration, Gemini Fund Services, LLC (since 2018); Senior Paralegal, Gemini Fund Services, LLC (from 2013 - 2018); Paralegal, Gemini Fund Services, LLC (2010-2013).	N/A	N/A

BTS Tactical Fixed Income VIT Fund
SUPPLEMENTAL INFORMATION (Unaudited)(Continued)
December 31, 2018

Interested Trustees and Officers (Continued)

Lynn Bowley Born in 1958	Chief Compliance Officer Since 2017	Senior Compliance Officer of Northern Lights Compliance Services, LLC (since 2007).	N/A	N/A
-----------------------------	---	---	-----	-----

*The term of office for each Trustee and officer listed above will continue indefinitely until the individual resigns or is removed.

**As of December 31, 2018, the Trust was comprised of 80 active portfolios managed by unaffiliated investment advisers. The term "Fund Complex" applies only to the Funds in the Trust advised the Fund's adviser. The Funds do not hold themselves out as related to any other series within the Trust that is not advised by the Fund's adviser.

The Fund's Statement of Additional Information includes additional information about the Trustees and is available free of charge, upon request, by calling toll-free at 1-877-287-9820.

PRIVACY NOTICE

NORTHERN LIGHTS VARIABLE TRUST

Rev. February 2014

FACTS

WHAT DOES NORTHERN LIGHTS VARIABLE TRUST DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depends on the product or service that you have with us. This information can include:

- Social Security number and wire transfer instructions
- account transactions and transaction history
- investment experience and purchase history

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Northern Lights Variable Trust chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information:	Does Northern Lights Variable Trust share information?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	YES	NO
For our marketing purposes - to offer our products and services to you.	NO	We don't share
For joint marketing with other financial companies.	NO	We don't share
For our affiliates' everyday business purposes - information about your transactions and records.	NO	We don't share
For our affiliates' everyday business purposes - information about your credit worthiness.	NO	We don't share
For nonaffiliates to market to you	NO	We don't share

QUESTIONS? Call 1-402-493-4603

PRIVACY NOTICE

NORTHERN LIGHTS VARIABLE TRUST

Page 2

What we do:

How does Northern Lights Variable Trust protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.</p>
How does Northern Lights Variable Trust collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none">• open an account or deposit money• direct us to buy securities or direct us to sell your securities• seek advice about your investments <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none">• sharing for affiliates' everyday business purposes – information about your creditworthiness.• affiliates from using your information to market to you.• sharing for nonaffiliates to market to you. <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none">• <i>Northern Lights Variable Trust does not share with our affiliates.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none">• <i>Northern Lights Variable Trust does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none">• <i>Northern Lights Variable Trust doesn't jointly market.</i>

PROXY VOTING POLICY

Information regarding how the Fund voted proxies relating to portfolio securities for the most recent twelve month period ended June 30 as well as a description of the policies and procedures that the Fund uses to determine how to vote proxies is available without charge, upon request, by calling 1-877-287-9820 or by referring to the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

The Fund files its complete schedule of portfolio holdings 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> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC (1-800-SEC-0330). The information on Form N-Q is available without charge, upon request, by calling 1-877-287-9820.

INVESTMENT ADVISOR

BTS Asset Management, Inc.
420 Bedford Street Suite 340
Lexington, MA 02420

ADMINISTRATOR

Gemini Fund Services, LLC
80 Arkay Dr Suite 110
Hauppauge, NY 11788