

FUND INFORMATION

Symbol and CUSIP

A shares	EMNAX	(92828R727)
B shares	EMNBX	(92828R719)
C shares	EMNCX	(92828R693)
I shares	VIMNX	(92828R297)

Investment Adviser

Virtus Investment Advisers, Inc.

Investment Subadviser

The Boston Company Asset Management

AUM (\$ millions)	28.6
Number of Holdings	286
Dividends	Semi-Annually

INVESTMENT PROFESSIONALS

Sean P. Fitzgibbon, CFA
Industry start date: 1992
Start date with Fund: 2008

Robert J. Eastman, CFA
Industry start date: 1989
Start date with Fund: 2008

Jeffrey D. McGrew, CFA
Industry start date: 1992
Start date with Fund: 2008

INVESTMENT PROCESS

**Multi-Strategy Approach
Risk Management; Best Long and Short Ideas**

- > U.S. Large Cap Core
- > U.S. Mid Cap Opportunistic Value
- > U.S. Small Cap Growth
- > Core Research
- > U.S. Small Cap Value
- > International Core
- > Emerging Markets Core
- > Non-U.S. Value
- > U.S. Dynamic Large Cap Value

Long and Short Positions

- > The fund strives to have long positions in stocks that it believes will outperform the market and short positions in stocks that it believes will underperform the market.
- > Under normal circumstances, the fund seeks to maintain a balance between investments that are expected to benefit from a general rise in stock prices and investments that are expected to benefit from a general stock market decline.

ANNUALIZED PERFORMANCE Class A as of 12/30/2011 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 05/01/1998
NAV	-0.22	-11.60	-11.60	-1.37	-2.52	-0.86	-0.55
POP	-5.96	-16.68	-16.68	-3.30	-3.66	-1.44	-0.98
Index	0.01	0.08	0.08	0.12	1.36	1.85	2.67

QTD, YTD and 1 Year performance is not annualized.

Benchmark life performance is reported from 04/30/1998

Class A operating expenses are 1.91% and gross operating expenses are 4.18%.

Operating expenses reflect a voluntary expense reimbursement, which may be discontinued at any time. Operating expenses do not include expenses related to dividends on short positions and prime brokerage interest expense.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge of 5.75%. A contingent deferred sales charge of 1% may apply on certain redemptions made within 18 months following purchases on which a finder's fee has been paid.

ANNUAL PERFORMANCE Class A at NAV in percent

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Fund	5.69	-0.09	4.40	-0.09	-5.40	-2.28	-6.09	9.05	-0.49	-11.60
Index	1.70	1.07	1.24	3.00	4.76	4.74	1.80	0.16	0.13	0.08

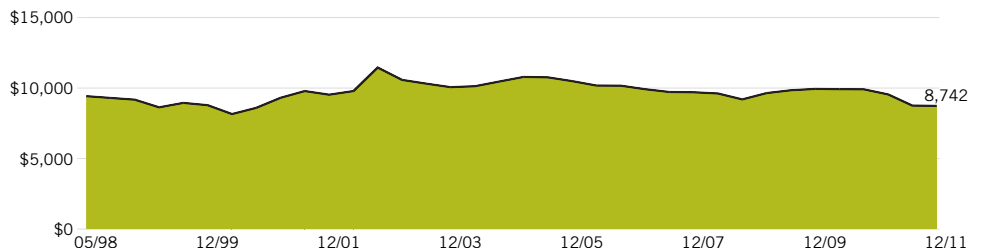
INVESTMENT OPPORTUNITY

The fund utilizes a unique market neutral style seeking to provide attractive performance in both up and down markets.

The fund invests in undervalued companies with strong and improving business prospects while shorting companies with deteriorating business momentum and excessive valuations.

The use of uncorrelated equity strategies across investing styles, market caps and industries may provide investors with more attractive risk adjusted returns, as compared with traditional equity investing.

Growth of \$10,000 Class A for the period ending 12/30/2011 Actual initial investment \$9,425



This chart assumes an initial investment of \$10,000 made on May 01, 1998 for Class A shares including any applicable sales charges. Performance assumes reinvestment of dividends and capital gain distributions.

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

Index: The Citigroup 90-Day Treasury Bill Index measures monthly return equivalents of yield averages that are not marked to market. The 90-Day Treasury Bill Index is an average of the last three three-month Treasury bill issues. The index is unmanaged and not available for direct investment.

Top Ten Holdings	Long % Fund	Short % Fund
Newell Rubbermaid Inc.	1.92	J.C. Penney Co. Inc. 2.55
Melco Crown Entertainment Ltd ADR	1.68	Coach Inc. 2.32
Electronic Arts Inc.	1.62	Microsoft Corp. 2.23
PVH Corp.	1.61	Rolls-royce Holdings Plc 2.11
Pioneer Natural Resources Co.	1.60	Huntington Bancshares Inc. 1.65
Unilever N.V.	1.49	Eisai Co. Ltd. 1.57
Visa Inc.	1.48	Tingyi (Cayman Islands) Holding Corp. 1.51
Fomento Economico Mexicano S.A.B. de C.V. ADS	1.41	TFS Financial Corp. 1.38
Comerica Inc.	1.33	Boeing Co. 1.37
China Agri-Industries Holdings Ltd.	1.30	Li & Fung Ltd. 1.36

Top 5 Countries	Long % Equity	Short % Equity
United States	68.59	United States 65.09
United Kingdom	5.85	Japan 5.71
Japan	4.54	United Kingdom 3.95
Cayman Islands	3.34	Canada 3.35
Germany	2.18	Germany 2.51

Sector Allocations	Long	Short	Characteristics	Long	Short
Consumer Discretionary	19.83	16.50	Average Weighted market Cap (bn)	\$18.9	\$20.5
Consumer Staples	12.82	16.33	Median Market Cap (bn)	\$6.7	\$6
Energy	9.31	8.44	Trailing P/E	18.66x	6.00x
Financials	11.82	12.52	Price-to-Cash Flow	10.86	10.92
Health Care	15.72	14.19	Price-to-Book Value	2.15	2.36
Industrials	8.14	9.91	3-Year EPS Growth Rate	3.70	2.36
Information Technology	15.78	14.51			
Materials	1.82	3.33			
Telecommunication Services	1.91	1.77			
Utilities	2.86	2.51			

Risk Statistics	Fund	Index
Class A 3-Year Standard Deviation	5.20	0.02

IMPORTANT RISK CONSIDERATIONS:

Investments in short positions have additional risk that long positions do not. In theory, the risk of loss on a short position is unlimited. Investing in the securities of small and mid-sized companies involves greater risks and price volatility than larger, more established companies. Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic and market risk. Lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. Sector ETFs are subject to sector risks and non-diversification risks, which may result in greater price fluctuations than the overall market. Because the fund invests in ETFs, it indirectly bears its proportionate share of the operating expenses of the underlying funds. Indirectly, the fund is subject to all risks associated with the underlying ETFs. The use of leverage, short selling, futures, options and/or derivatives may cause exposure to additional risks.

GLOSSARY

Standard Deviation: measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

Trailing P/E: Per-share stock price divided by the latest 12-months Earnings per Share.

Price/Cash Flow: Per-share stock price divided by the per-share operating cash flow.

Price/Book: Per-share stock price divided by the latest 12-month per-share Book Value.

3-Year EPS Growth Rate: Average of earnings per share growth for latest 3-year period. The 3-Year EPS Growth Rate is not a forecast of the portfolio's performance.

Holdings and Sector weightings are subject to change.

Investment Manager of the Fund

The subadviser, The Boston Company Asset Management has a unique market neutral style that is driven by the belief that business momentum and stock valuations are key drivers of performance.

About Virtus Investment Partners Virtus (NASDAQ: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors.

Please carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. For this and other information about any Virtus mutual fund, call 1-800-243-4361 or visit Virtus.com for a prospectus. Read it carefully before you invest or send money.

Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

Distributed by VP Distributors, Inc., member FINRA and subsidiary of Virtus Investment Partners, Inc.