

FUND INFORMATION**Symbol and CUSIP**

A shares	FMIWX	(92828N726)
C shares	FMICX	(92828N718)
I shares	PIMWX	(92828N692)

Investment Adviser

Virtus Investment Advisers, Inc.

Investment Subadviser

Sasco Capital

AUM (\$ millions)	339.4
Number of Holdings	33
Dividends	Semi-Annually

INVESTMENT PROFESSIONALS

Daniel Leary

Industry start date: 1971

Start date with Fund: 1997

Bruce Bottomley, CFA

Industry start date: 1972

Start date with Fund: 1997

Mark Helderman

Industry start date: 1986

Start date with Fund: 2004

INVESTMENT PROCESS

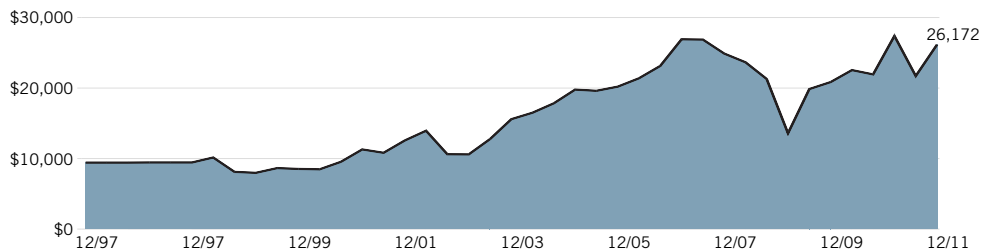
STEP 1 Fundamental Analysis	STEP 2 Valuation Analysis	STEP 3 Construct a Contrarian Portfolio
<ul style="list-style-type: none"> > Identify out-of-favor, undervalued companies selling at a discount to asset value and future earning power 	<ul style="list-style-type: none"> > Evaluate and value business segments > Assess restructuring opportunities and future earnings power > Determine management's ability and commitment to fix, rebuild, and grow the business 	<ul style="list-style-type: none"> > Low turnover to allow "Jewels" to achieve potential > Build a concentrated, high conviction portfolio

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 12/30/1997
NAV	20.56	5.85	5.85	19.03	0.51	7.61	7.56
POP	13.63	-0.23	-0.23	16.71	-0.68	6.97	7.11
Index	13.37	-1.38	-1.38	18.19	0.04	7.67	7.34

*QTD, YTD and 1 Year performance is not annualized.**Class A operating expenses are 1.48% and gross operating expenses are 1.49%.**Operating expenses reflect a voluntary expense reimbursement, which may be discontinued at any time.**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	-9.89	37.56	24.74	3.96	26.30	-2.41	-37.69	34.42	18.54	5.85
Index	-9.64	38.07	23.71	12.65	20.22	-1.42	-38.44	34.21	24.75	-1.38

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 Dec 30, 1997 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 Russell Midcap® Value Index is a market capitalization-weighted index of medium-capitalization, value-oriented stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged and not available for direct investment.***INVESTMENT OPPORTUNITY**

Using a contrarian investment approach, the manager searches for 'Jewels' buried in distressed or restructuring companies.

The portfolio manager targets established companies that, based on independent research, offer promising future growth prospects.

Extensive valuation and security analysis provides the basis for construction of a concentrated portfolio with low turnover.

Top Ten Holdings	% Fund
J.C. Penney Co. Inc.	5.23
Sara Lee Corp.	5.11
Williams Companies Inc	5.10
Big Lots Inc.	4.27
Safeway Inc.	4.24
Republic Services Inc.	4.09
ONEOK Inc.	4.02
Dominion Resources Inc. (Virginia)	3.93
Beam Inc	3.77
Crown Holdings Inc.	3.74

Sector Allocations	% Equity
Industrials	26.26
Materials	18.38
Consumer Staples	16.15
Energy	16.05
Consumer Discretionary	13.11
Utilities	10.05

Characteristics	Fund
Average Weighted market Cap (bn)	\$10.5
Median Market Cap (bn)	\$7.2
Trailing P/E	15.06x
Price-to-Cash Flow	8.78
Price-to-Book Value	2.28
3-Year EPS Growth Rate	1.55

Risk Statistics	Fund	Index
Class A 3-Year R ²	0.95	1.00
Beta	0.99	1.00
Standard Deviation	23.02	22.78

IMPORTANT RISK CONSIDERATIONS: Investing in the securities of small and mid-sized companies involves greater risks and price volatility than larger, more established companies. A portfolio that is heavily weighted in a single sector will be impacted by that sector's performance more than a portfolio with broader sector diversification.

GLOSSARY

R²: A measurement of how closely a portfolio's performance correlates with the performance of a benchmark index.

Beta: A quantitative measure of the volatility of a given portfolio to the overall market. Higher beta suggests higher volatility.

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

Through exhaustive independent research and a long term investment view, Sasco Capital Management attempts to identify undervalued, diversified companies where low-return divisions are masking the profitability of high-return businesses, also called 'Jewels'.

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.

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