

## **Breakpoint (Volume) Discounts on Class A Share Purchases.**

### **What arrangement is best for you?**

Your financial representative should recommend only those arrangements that are suitable for you based on known information. In certain instances, you may be entitled to a reduction or waiver of sales charges. For instance, you may be entitled to a sales charge discount on Class A Shares if you purchase more than certain breakpoint amounts. You should inform or inquire of your financial representative whether or not you may be entitled to a sales charge discount attributable to your total holdings in a fund or related funds. To determine eligibility for a sales charge discount, you may aggregate all of your accounts (including joint accounts, IRAs, non-IRAs, etc.) and those of your spouse and minor children. The financial representative may request you to provide an account statement or other holdings information to determine your eligibility for a breakpoint and to make certain all involved parties have the necessary data. Please be sure that you fully understand these choices before investing. If you or your financial representative requires additional assistance, you may also contact Mutual Fund Services by calling toll-free (800) 243-1574.

### **Class A Shares**

If you purchase Class A Shares, you will pay a sales charge at the time of purchase. Depending on which fund you purchase the maximum sales charge can vary from 5.75% of the offering price (6.10% of the amount invested), to 2.25% of the offering price (2.30% of the amount invested). The sales charge may be reduced or waived under certain conditions. Generally, Class A Shares are not subject to any charges by the fund when redeemed; however, a contingent deferred sales charge (“CDSC”) may apply on certain redemptions made within 18 months following purchases on which a finder’s fee has been paid. For all Virtus fixed income funds, and Virtus AlphaSector Rotation Fund, the CDSC is 0.50%; for all other Virtus Mutual Funds, the CDSC is 1.00%. The CDSC period begins on the last day of the month, preceding the month in which the purchase was made. Such deferred sales charge may be waived under certain conditions as determined by the Distributor. Class A Shares are subject to ongoing service fees at an annual rate of 0.25% of the Trust’s aggregate average daily net assets attributable to the Class A Shares. In addition, certain purchases of Class A Shares qualify for reduced initial sales charges.

### **Initial Sales Charge Alternative—Class A Shares**

The public offering price of Class A Shares is the net asset value plus a sales charge that varies depending on the size of your purchase. (See “Class A Shares—Reduced Initial Sales Charges: Combination Purchase Privilege” in the Statement of Additional Information (“SAI”). Shares purchased based on the automatic reinvestment of income dividends or capital gain distributions are not subject to any sales charges. The sales charge is divided between your investment dealer and the fund’s underwriter (VP Distributors, LLC).

### **Sales Charges you may pay to purchase Class A Shares; and Dealer Concessions**

Please see the information below to determine the amount of the sales charge you would pay based on the fund and amount you invested. Also listed are the Dealer Concessions (Dealers with whom the Distributor has entered into sales agreements receive a discount or commission as described below) that would be paid.

### Available Class A Virtus Funds

| <b>EQUITY</b>                                  | <b>INTERNATIONAL/GLOBAL</b>                      |
|--|--|
| Virtus AlphaSector (SM) Rotation Fund          | Virtus Emerging Markets Opportunities Fund       |
| Virtus Core Equity Fund                        | Virtus Foreign Opportunities Fund                |
| Virtus Growth & Income Fund                    | Virtus Global Opportunities Fund                 |
| Virtus Mid-Cap Core Fund                       | Virtus Global Premium AlphaSector (SM) Fund      |
| Virtus Mid-Cap Growth Fund                     | Virtus Greater Asia ex Japan Opportunities Fund  |
| Virtus Mid-Cap Value Fund                      | Virtus Greater European Opportunities Fund       |
| Virtus Premium AlphaSector (SM) Fund           | Virtus International Equity Fund                 |
| Virtus Quality Large-Cap Value Fund            |  |
| Virtus Quality Small-Cap Fund                  | <b>FIXED INCOME</b>                              |
| Virtus Small-Cap Core Fund                     | Virtus Bond Fund                                 |
| Virtus Small-Cap Sustainable Growth Fund       | Virtus CA Tax-Exempt Bond Fund                   |
| Virtus Strategic Growth Fund                   | Virtus High Yield Fund                           |
| Virtus Value Equity Fund                       | Virtus High Yield Income Fund                    |
|  | Virtus Insight Government Money Market Fund      |
|  | Virtus Insight Money Market Fund                 |
|  | Virtus Insight Tax-Exempt Money Market Fund      |
|  | Virtus Intermediate Government Bond Fund         |
|  | Virtus Multi-Sector Fixed Income Fund            |
|  | Virtus Multi-Sector Short Term Bond Fund         |
| <b>ASSET ALLOCATION</b>                        | Virtus Senior Floating Rate Fund                 |
| Virtus Allocator Premium AlphaSector (SM) Fund | Virtus Short/Intermediate Bond Fund              |
| Virtus Balanced Allocation Fund                | Virtus Tax-Exempt Bond Fund                      |
| Virtus Balanced Fund                           |  |
| Virtus Tactical Allocation Fund                |  |
|  | <b>ALTERNATIVE</b>                               |
|  | Virtus Alternatives Diversifier Fund             |
|  | Virtus Global Commodities Stock Fund             |
|  | Virtus Global Infrastructure Fund                |
|  | Virtus Global Real Estate Securities Fund        |
|  | Virtus International Real Estate Securities Fund |
|  | Virtus Market Neutral Fund                       |
|  | Virtus Real Estate Securities Fund               |

**Purchases of Equity, Asset Allocation, Alternative, or International/Global funds Class A shares would be subject to the following sales charges:**

| <b>Amount of Transaction at Offering Price</b> | <b>Sales Charge as a Percentage of Offering Price</b> | <b>Sales Charge as a Percentage of Amount Invested</b> | <b>Dealer Discount as Percentage of Offering Price</b> |
|--|---|--|--|
| Under \$50,000                                 | 5.75%   | 6.10%  | 5.00%  |
| \$50,000 but under \$100,000                   | 4.75  | 4.99   | 4.25   |
| \$100,000 but under \$250,000                  | 3.75  | 3.90   | 3.25   |
| \$250,000 but under \$500,000                  | 2.75  | 2.83   | 2.25   |
| \$500,000 but under \$1,000,000                | 2.00  | 2.04   | 1.75   |
| \$1,000,000 or more                            | None  | None   | None   |

**Purchases of Class A shares of the Virtus Multi-Sector Short Term Bond Fund would be subject to the following sales charges:**

| <b>Amount of Transaction at Offering Price</b> | <b>Sales Charge as a Percentage of Offering Price</b> | <b>Sales Charge as a Percentage of Amount Invested</b> | <b>Dealer Discount as Percentage of Offering Price</b> |
|--|---|--|--|
| Under \$50,000                                 | 2.25%   | 2.30%  | 2.00%  |
| \$50,000 but under \$100,000                   | 1.25  | 1.27   | 1.00   |
| \$100,000 but under \$250,000                  | 1.00  | 1.01   | 1.00   |
| \$250,000 but under \$500,000                  | 1.00  | 1.01   | 1.00   |
| \$500,000 but under \$1,000,000                | 0.75  | 0.76   | 0.75   |
| \$1,000,000 or more                            | None  | None   | None   |

**Purchases of Class A shares of the Virtus CA Tax-Exempt Bond Fund, Virtus Senior Floating Rate Fund, Virtus Short/Intermediate Bond Fund and Virtus Tax-Exempt Bond Fund would be subject to the following sales charges:**

| <b>Amount of Transaction at Offering Price</b> | <b>Sales Charge as a Percentage of Offering Price</b> | <b>Sales Charge as a Percentage of Amount Invested</b> | <b>Dealer Discount as Percentage of Offering Price</b> |
|--|---|--|--|
| Under \$50,000                                 | 2.75%   | 2.83%  | 2.25%  |
| \$50,000 but under \$100,000                   | 2.25  | 2.30   | 2.00   |
| \$100,000 but under \$250,000                  | 1.75  | 1.78   | 1.50   |
| \$250,000 but under \$500,000                  | 1.25  | 1.27   | 1.00   |
| \$500,000 but under \$1,000,000                | 1.00  | 1.01   | 1.00   |
| \$1,000,000 or more                            | None  | None   | None   |

**Purchases of Class A Shares of the Virtus Bond Fund, Virtus High Yield Fund, Virtus High Yield Income Fund, Virtus Intermediate Government Bond Fund and Virtus Multi-Sector Fixed Income Fund would be subject to the following sales charges:**

| <b>Amount of Transaction at Offering Price</b> | <b>Sales Charge as a Percentage of Offering Price</b> | <b>Sales Charge as a Percentage of Amount Invested</b> | <b>Dealer Discount as Percentage of Offering Price</b> |
|--|---|--|--|
| Under \$50,000                                 | 3.75%   | 3.90%  | 3.25%  |
| \$50,000 but under \$100,000                   | 3.50  | 3.63   | 3.00   |
| \$100,000 but under \$250,000                  | 3.25  | 3.36   | 2.75   |
| \$250,000 but under \$500,000                  | 2.25  | 2.30   | 2.00   |
| \$500,000 but under \$1,000,000                | 1.75  | 1.78   | 1.50   |
| \$1,000,000 or more                            | None  | None   | None   |

**Purchases of Class A Shares of the Virtus Insight Government Money Market Fund, Virtus Insight Money Market Fund and Virtus Insight Tax-Exempt Money Market Fund are offered to the public at their constant net asset value of \$1.00 per share with no sales charge or dealer discount. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.**

***Class A Shares—Reduced Initial Sales Charges.***

Investors choosing Class A Shares may be entitled to reduced sales charges. The ways in which sales charges may be avoided or reduced are described below.

***Combination Purchase Privilege.*** Your purchase of any class of shares of these or any other Virtus Mutual Fund (other than any Virtus money market fund), if made at the same time by the same “person,” will be added together with any existing Virtus Mutual Fund account values, to determine whether the combined sum entitles you to an immediate reduction in sales charges. A “person” is defined in this and the following sections as (a) any individual, their spouse and minor children purchasing shares for his or their own account (including an IRA account) including his or their own trust; (b) a trustee or other fiduciary purchasing for a single trust, estate or single fiduciary account (even though more than one beneficiary may exist); (c) multiple employer trusts or certain Section 403(b) plans for the same employer; (d) multiple accounts (up to 200) under a qualified employee benefit plan or administered by a third party administrator; or (e) trust companies, bank trust departments, registered investment advisers, and similar entities placing orders or providing administrative services with respect to accounts over which they exercise discretionary investment authority and which are held in a fiduciary, agency, custodial or similar capacity, provided all shares are held of record in the name, or nominee name, of the entity placing the order.

A “Virtus Mutual Fund” means any other mutual fund advised, subadvised or distributed by the Adviser or Distributor or any corporate affiliate of either or both the Adviser and Distributor provided such other mutual fund extends reciprocal privileges to shareholders of the Virtus Mutual Funds.

**Letter of Intent.** If you sign a Letter of Intent, your purchase of any class of shares of these or any other Virtus Mutual Fund (other than any Virtus money market fund), if made by the same person within a 13-month period, will be added together to determine whether you are entitled to an immediate reduction in sales charges. Sales charges are reduced based on the overall amount you indicate that you will buy under the Letter of Intent. The Letter of Intent is a mutually non-binding arrangement between you and the Distributor. Since the Distributor doesn't know whether you will ultimately fulfill the Letter of Intent, shares worth 5% of the amount of each purchase will be set aside until you fulfill the Letter of Intent. When you buy enough shares to fulfill the Letter of Intent, these shares will no longer be restricted. If, on the other hand, you do not satisfy the Letter of Intent, or otherwise wish to sell any restricted shares, you will be given the choice of either buying enough shares to fulfill the Letter of Intent or paying the difference between any sales charge you previously paid and the otherwise applicable sales charge based on the intended aggregate purchases described in the Letter of Intent. You will be given 20 days to make this decision. If you do not exercise either election, the Distributor will automatically redeem the number of your restricted shares needed to make up the deficiency in sales charges received. The Distributor will redeem restricted Class A Shares before Class B Shares or Class C Shares, respectively. Oldest shares will be redeemed before selling newer shares. Any remaining shares will then be deposited to your account.

**Right of Accumulation.** The value of your account(s) in any class of shares of these Funds or any other Virtus Mutual Fund (other than any Virtus money market fund), may be added together at the time of each purchase to determine whether the combined sum entitles you to a prospective reduction in sales charges. You must provide certain account information to the Distributor at the time of purchase to exercise this right.

**Associations.** Certain groups or associations may be treated as a "person" and qualify for reduced Class A Share sales charges. The group or association must: (1) have been in existence for at least six months; (2) have a legitimate purpose other than to purchase mutual fund shares at a reduced sales charge; (3) work through an investment dealer; or (4) not be a group whose sole reason for existing is to consist of members who are credit card holders of a particular company, policyholders of an insurance company, customers of a bank or a broker-dealer or clients of an investment adviser.

**Account Reinstatement Privilege.** For 180 days after you sell your Class A, Class B or Class C Shares on which you have previously paid a sales charge, you may purchase Class A Shares of any Virtus Fund at net asset value, with no sales charge, by reinvesting all or part of your proceeds, but not more.

**Qualified Purchasers.** If you fall within any one of the following categories, you will not have to pay a sales charge on your purchase of Class A Shares: (1) trustee, director or officer of the Virtus Mutual Funds, or any other mutual fund advised, subadvised or distributed by the Adviser, Distributor or any of their corporate affiliates; (2) any director or officer, or any full-time employee or sales representative (for at least 90 days), of the Adviser, Subadviser (if any) or Distributor; (3) any private client of an Adviser or Subadviser to any Virtus Mutual Fund; (4) registered representatives and employees of securities dealers with whom the Distributor has sales agreements; (5) any qualified retirement plan exclusively for persons described above; (6) any officer, director or employee of a corporate affiliate of the Adviser, Subadviser or Distributor; (7) any spouse, child, parent, grandparent, brother or sister of any person named in (1), (2), (4) or (6) above; (8) employee benefit plans for employees of the Adviser, Distributor and/or their corporate affiliates; (9) any employee or agent who retires from the Distributor and/or their corporate affiliates or from Phoenix Life Insurance Company and its corporate affiliates ("PNX"), as long as, with respect to PNX employees or agents, such individual was employed by PNX prior to December 31, 2008; (10) any account held in the name of a qualified employee benefit plan, endowment fund or foundation if, on the date of the initial investment,

the plan, fund or foundation has assets of \$10,000,000 or more or at least 100 eligible employees; (11) any person with a direct rollover transfer of shares from an established Virtus Mutual Fund or Virtus qualified plan; (12) any state, county, city, department, authority or similar agency prohibited by law from paying a sales charge; (13) any unallocated account held by a third party administrator, registered investment adviser, trust company, or bank trust department which exercises discretionary authority and holds the account in a fiduciary, agency, custodial or similar capacity, if in the aggregate such accounts held by such entity equal or exceed \$1,000,000; (14) any deferred compensation plan established for the benefit of any Virtus Mutual Fund, or Virtus trustee or director; provided that sales to persons listed in (1) through (14) above are made upon the written assurance of the purchaser that the purchase is made for investment purposes and that the shares so acquired will not be resold except to the Fund; (15) former Class N Shareholders who received Class A Shares as a result of the conversion of Class N Shares to Class A Shares; (16) individuals purchasing through an account with an unaffiliated brokerage firm having an agreement with the Distributor to waive sales charges for its clients; (17) purchasers of Class A Shares bought through investment advisers and financial planners who charge an advisory, consulting or other fee for their services and buy shares for their own accounts or the accounts of their clients;

(18) retirement plans and deferred compensation plans and trusts used to fund those plans (including, for example, certain plans qualified or created under Sections 401(a), 403(b) or 457 of the Code), and “rabbi trusts” that buy shares for their own accounts, in each case if those purchases are made through a broker or agent or other financial intermediary that has made special arrangements with the Distributor for such purchases; (19) 401(k) participants in the Merrill Lynch Daily K Plan (the “Plan”) if the Plan has at least \$3 million in assets or 500 or more eligible employees; or (20) clients of investment

advisors or financial planners who buy shares for their own accounts but only if their accounts are linked to a master account of their investment advisor or financial planner on the books and records of the broker, agent or financial intermediary with which the Distributor has made such special arrangements. Each of the investors described in (16) through (20) may be charged a fee by the broker, agent or financial intermediary for purchasing shares.

### **Dealer Concessions**

Dealers with whom the Distributor has entered into sales agreements receive a discount or commission as described in the “**Sales Charge you may pay to purchase Class A Shares, and Dealer Concessions**” charts on Pages 2 & 3 of this document.

Dealers and other entities who enter into special arrangements with the Distributor may receive compensation for the sale and promotion of shares of the Funds and/or for providing other shareholder services. Such fees are in addition to the sales commissions referenced above and may be based upon the amount of sales of fund shares by a dealer; the provision of assistance in marketing of fund shares; access to sales personnel and information dissemination services, provision of recordkeeping and administrative services to qualified employee benefit plans; and other criteria as established by the Distributor. Depending on the nature of the services, these fees may be paid either from the Funds through distribution fees, service fees or transfer agent fees or in some cases, the Distributor may pay certain fees from its own profits and resources. From its own profits and resources, the Distributor may, from time to time, make payments to qualified wholesalers, registered financial institutions and third party marketers for marketing support services and/or retention of assets. Among others, the Distributor has agreed to make such payments for marketing support services to AXA Advisors, LLC. Additionally, for Virtus fixed income funds and Virtus AlphaSector Rotation Fund, the Distributor may pay broker-dealers a finder’s fee in an amount equal to 0.50% of eligible Class A Share purchases from \$1,000,000 to \$3,000,000 and 0.25% on amounts greater than \$3,000,000. For all other Virtus

Mutual Funds, the Distributor may pay broker-dealers a finder's fee in an amount equal to 1.00% of eligible Class A Share purchases from \$1,000,000 to \$3,000,000, 0.50% on amounts of \$3,000,001 to \$10,000,000, and 0.25% on amounts greater than \$10,000,000. Purchases by an account in the name of a qualified employee benefit plan are eligible for a finder's fee only if such plan has at least 100 eligible employees. If all or part of a purchase on which a finder's fee has been paid, including investments by qualified employee benefit plans, is subsequently redeemed within 18 months, a CDSC may apply, except for redemptions of shares purchased on which a finder's fee would have been paid where such investor's dealer of record, due to the nature of the investor's account, notifies the Distributor prior to the time of the investment that the dealer waives the finder's fee otherwise payable to the dealer, or agrees to receive such finder's fee ratably over a 18-month period. For all Virtus fixed income funds and Virtus AlphaSector Rotation Fund, the CDSC is 0.50%; for all other Virtus Mutual Funds, the CDSC is 1.00%. For purposes of determining the applicability of the CDSC, the 18-month period begins on the last day of the month preceding the month in which the purchase was made.

In addition, the Distributor may pay the entire applicable sales charge on purchases of Class A Shares to selected dealers and agents. Any dealer who receives more than 90% of a sales charge may be deemed to be an "underwriter" under the Securities Act of 1933. The Distributor will pay a service fee of 0.25% beginning in the thirteenth month following purchase of Class A Shares

On which a finder's fee has been paid. VP Distributors reserves the right to discontinue or alter such fee payment plans at any time. From its own resources or pursuant to the Trust's Distribution Plan, and subject to the dealers' prior approval, the Distributor may provide additional compensation to registered representatives of dealers in the form of travel expenses, meals, and lodging associated with training and educational meetings sponsored by the Distributor. The Distributor may also provide gifts amounting in value to less than \$100, and occasional meals or entertainment, to registered representatives of dealers. Any such travel expenses, meals, lodging, gifts or entertainment paid will not be preconditioned upon the registered representatives' or dealers' achievement of a sales target. The Distributor may, from time to time, re-allow the entire portion of the sales charge on Class A Shares which it normally retains to individual selling dealers. However, such additional reallowance generally will be made only when the selling dealer commits to substantial marketing support such as internal wholesaling through dedicated personnel, internal communications and mass mailings.

**PLEASE NOTE: Before you purchase any Virtus mutual fund you should consider the investment objectives, risks, charges and expenses carefully before investing. Read both the Prospectus and the Statement of Additional Information for the specific fund you are interested in carefully before you invest. These documents are available at: [www.Virtus.com](http://www.Virtus.com).**