

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. Class A Shares are not subject to any charges by the fund when redeemed. Generally, Class A Shares are not subject to any charges by the fund when redeemed; however, a 1% contingent deferred sales charge (“CDSC”) may be imposed on certain redemptions within one year on purchases on which a finder’s fee has been paid. The one-year period begins on the last day of the month preceding the month in which the purchase was made.

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, Inc.).

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

EQUITY	INTERNATIONAL/GLOBAL
Virtus AlphaSector (SM) Rotation Fund	Virtus Emerging Markets Opportunities Fund
Virtus Capital Growth Fund	Virtus Foreign Opportunities Fund
Virtus Core Equity Fund	Virtus Global Opportunities Fund
Virtus Disciplined Small-Cap Opportunity Fund	Virtus Greater Asia ex Japan Opportunities Fund
Virtus Disciplined Small-Cap Value Fund	Virtus Greater European Opportunities Fund
Virtus Growth & Income Fund	
Virtus Mid-Cap Core Fund	FIXED INCOME
Virtus Mid-Cap Growth Fund	Virtus Bond Fund
Virtus Mid-Cap Value Fund	Virtus CA Tax-Exempt Bond Fund
Virtus Quality Large-Cap Value Fund	Virtus High Yield Fund
Virtus Quality Small-Cap Fund	Virtus High Yield Income Fund
Virtus Small-Cap Core Fund	Virtus Insight Government Money Market Fund
Virtus Small-Cap Growth Fund	Virtus Insight Money Market Fund
Virtus Small-Cap Sustainable Growth Fund	Virtus Insight Tax-Exempt Money Market Fund
Virtus Strategic Growth Fund	Virtus Intermediate Government Bond Fund
Virtus Value Equity Fund	Virtus Intermediate Tax-Exempt Fund
	Virtus Multi-Sector Fixed Income Fund
	Virtus Multi-Sector Short Term Bond Fund
	Virtus Senior Floating Rate Fund
ASSET ALLOCATION	Virtus Short/Intermediate Bond Fund
Virtus AlphaSector (SM) Allocation Fund	Virtus Tax-Exempt Bond Fund
Virtus Balanced Allocation Fund	
Virtus Balanced Fund	
Virtus Tactical Allocation Fund	ALTERNATIVE
	Virtus Alternatives Diversifier 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:

Amount of Transaction at Offering Price	Sales Charge as a Percentage of Offering Price	Sales Charge as a Percentage of Amount Invested	Dealer Discount as Percentage of Offering Price
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 Fixed Income funds Class A shares (excluding the Virtus Multi-Sector Short Term Bond Fund, Virtus Insight Government Money Market Fund, Virtus Insight Money Market Fund and Virtus Insight Tax-Exempt Money Market Fund) would be subject to the following sales charges:

Amount of Transaction at Offering Price	Sales Charge as a Percentage of Offering Price	Sales Charge as a Percentage of Amount Invested	Dealer Discount as Percentage of Offering Price
Under \$50,000	4.75%	4.99%	4.25%
\$50,000 but under \$100,000	4.50	4.71	4.00
\$100,000 but under \$250,000	3.50	3.63	3.00
\$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:

Amount of Transaction at Offering Price	Sales Charge as a Percentage of Offering Price	Sales Charge as a Percentage of Amount Invested	Dealer Discount as Percentage of Offering Price
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 Money Market Fund, 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 Sales Charge Reductions and Waivers

Investors may reduce or eliminate sales charges applicable to purchases of Class A Shares through utilization of Combination Purchase Privilege, Letter of Intent, Right of Accumulation, Purchase by Associations or the Account Reinstatement Privilege. These programs are summarized below and may be described in greater detail in the Statement of Additional Information. Investors buying Class A Shares on which a finder's fee has been paid may incur a 1% deferred sales charge if they redeem their shares within one year of purchase.

Combination Purchase Privilege. Your purchase of any class of shares of this or any other Virtus Fund (other than Class A Shares of the Virtus Insight Government Money Market Fund, Virtus Insight Money Market Fund and Virtus Insight Tax Exempt Money Market Fund), if made at the same time by the same person, will be added together with any existing Virtus 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 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 funds 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.

Letter of Intent. If you sign a Letter of Intent, your purchase of any class of shares of this or any other Virtus Fund (other than Class A Shares of the Virtus Insight Government Money Market Fund, Virtus Insight Money Market Fund and Virtus Insight Tax Exempt 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. Shares worth 5% of the amount of each purchase will be held in escrow (while remaining registered in your name) to secure payment of the higher sales charges applicable to the shares actually purchased in the event the full intended amount is not purchased.

Right of Accumulation. The value of your account(s) in any class of shares of this or any other Virtus Fund (other than Class A Shares of the Virtus Insight Government Money Market Fund, Virtus Insight Money Market Fund and Virtus Insight Tax Exempt Money Market Fund) if made over time by the same person, 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.

Purchase by 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 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 Funds, (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 or Distributor; (7) any spouse, child, grandparent, brother or sister of any person named in (1), (2), (3), (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 PNX, the Distributor and/or their corporate affiliates; (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 Fund qualified plan; (12) any Phoenix Life Insurance Company (or affiliate) separate account which funds group annuity contracts offered to qualified employee benefit plans; (13) any state, county, city, department, authority or similar agency prohibited by law from paying a sales charge; (14) 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 of such accounts held by such entity equal or exceed \$1,000,000; (15) any deferred compensation plan established for the benefit of any Virtus Fund trustee or directed provided that sales to persons listed in (1) through (15) 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; (16) former Class N Shareholders who received Class A Shares as a result of the conversion may continue, as long as such shares are held, to purchase Class A shares without any sales charge, (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, plans qualified or created under sections 401(a), 403(b) or 457 of the Internal Revenue 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; (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; or (21) any holder of Class I Shares or Investor Shares of the International Predecessor Fund or US Value Predecessor Fund whose shares were converted to Class A Shares of the fund formerly known as the Phoenix Focused Value Fund or Virtus Foreign Opportunities Fund, respectively, on June 20, 2005 if any such Class A Shares were still held at the time of purchase of additional Class A Shares. Each of the investors described in (16) through (21) 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.

Your broker, dealer or investment adviser may also charge you additional commissions or fees for their services in selling shares to you provided they notify the Distributor of their intention to do so. Dealers and other entities who enter into special arrangements with the Distributor may receive compensation for the sale and promotion of shares of the Trust 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 Trust 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 does intend to: (a) from time to time, pay special incentive and retention fees to qualified wholesalers, registered financial institutions and third party marketers; (b) pay broker-dealers an amount equal to 1% of the first \$3 million of Class A Share purchases by an account held in the name of a qualified employee benefit plan with at least 100 eligible employees, 0.50% on the next \$3 million, plus 0.25% on the amount in excess of \$6 million; and (c) excluding purchases as described in (b) above, pay broker-dealers an amount equal to 1.00% of the amount of Class A Shares sold 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. If part or all of such investment as described in (b) and (c) above, including investments by qualified employee benefit plans, is subsequently redeemed within one year, a 1% 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 12-month period. For purposes of determining the applicability of the CDSC, the one-year CDSC 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 "1933 Act"). VP Distributors, Inc. reserves the right to discontinue or alter such fee payment plans at any time.

From its own resources 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 re allowance 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. The Distributor has agreed to pay fees to certain distributors for preferred marketing opportunities. These arrangements may be viewed as creating a conflict of interest between these distributors and investors. Investors should make due inquiry of their selling agents to ensure that they are receiving the requisite point of sale disclosures and suitable recommendations free of any influence by reason of these arrangements.

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.