



### Diversified Emerging Mkts

Overall Morningstar Rating™ Based on risk adjusted returns as of 12/30/2011. Rating out of 352 Funds.

## FUND INFORMATION

### Symbol and CUSIP

A shares	HEMZ	(92828T707)
C shares	PICEX	(92828T806)
I shares	HIEMX	(92828T889)

### Investment Adviser

Virtus Investment Advisers, Inc.

### Investment Subadviser

Vontobel Asset Management

AUM (\$ millions)	2,611.9
Number of Holdings	92
Dividends	Semi-Annually

## INVESTMENT PROFESSIONALS

Rajiv Jain  
 Industry start date: 1989  
 Start date with Fund: 2006

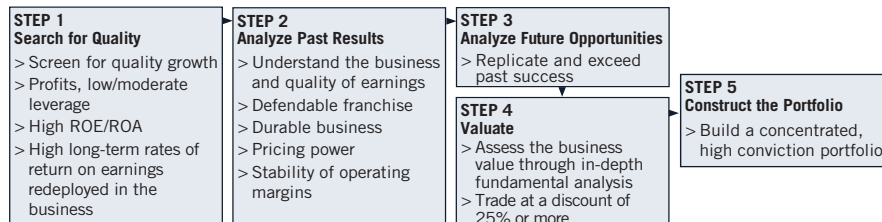
## INVESTMENT OPPORTUNITY

This fund offers investors exposure to emerging market economies through well-established companies.

The securities selected for inclusion in the fund are well managed businesses with consistent operating histories and financial performance that have favorable long-term economic prospects, and in most cases, generate free cash flow.

Over full market cycles, the investment style is designed with the dual objectives of capturing part of the up market cycles and protecting principal in down market cycles.

## INVESTMENT PROCESS



## ANNUALIZED PERFORMANCE

 Class A as of 12/30/2011 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 08/11/1999
NAV	6.54	-3.13	-3.13	22.41	6.30	15.04	11.10
POP	0.42	-8.70	-8.70	20.02	5.05	14.36	10.57
Index	4.42	-18.42	-18.42	20.07	2.40	13.86	9.58

QTD, YTD and 1 Year performance is not annualized.

Class A operating expenses are 1.67%.

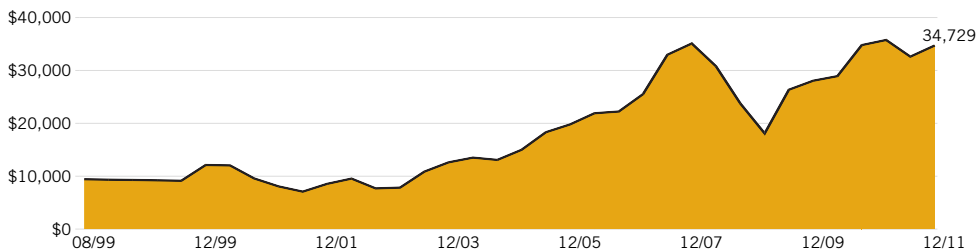
Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge of 5.75%. 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	-2.22	50.87	19.67	31.08	29.21	37.16	-46.04	48.12	27.82	-3.13
Index	-6.17	55.82	25.55	34.00	32.17	39.39	-53.33	78.51	18.88	-18.42

## 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 Aug 11, 1999 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](http://Virtus.com) for performance data current to the most recent month-end.

Index: The MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged and not available for direct investment.

Top Ten Holdings	% Fund
British American Tobacco PLC	4.35
Companhia de Bebidas das Americas ADR 2.94%, 0.04%	4.24
ITC Ltd.	3.23
Souza Cruz S.A.	2.93
Housing Development Finance Corp. Ltd.	2.80
Baidu Inc. ADS	2.65
SABMiller PLC	2.40
HDFC Bank Ltd.	2.31
Companhia Energetica de Minas Gerais, 0%	2.26
Redecard S/A	1.83

Sector Allocations	% Equity
Consumer Staples	43.86
Financials	17.49
Information Technology	10.84
Utilities	7.33
Consumer Discretionary	7.31
Materials	5.42
Telecommunication Services	2.71
Energy	2.09
Industrials	1.71
Health Care	1.24

Top Five Countries	% Equity
India	24.10
Brazil	16.61
Mexico	10.03
United Kingdom	9.46
Cayman Islands	6.66

Characteristics	Fund
Average Weighted market Cap (bn)	\$17.5
Median Market Cap (bn)	\$4
Trailing P/E	18.23x
Price-to-Cash Flow	16.91
Price-to-Book Value	3.49

Risk Statistics	Fund	Index
Class A 3-Year		
R <sup>2</sup>	0.86	1.00
Beta	0.67	1.00
Standard Deviation	18.76	25.76

### IMPORTANT RISK CONSIDERATIONS:

Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic and market risk. 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. Investing in the securities of small and mid-sized companies involves greater risks and price volatility than larger, more established companies.

### GLOSSARY

**R<sup>2</sup>:** 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.

**Return on Equity, ROE:** The amount of net income returned as a percentage of shareholders equity.

**Return on Assets, ROA:** Net income/Total Assets, ROA is an indicator of how profitable a company is relative to its total assets.

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Holdings and Sector weightings are subject to change.

**Morningstar** For the 3-, 5- and 10-year periods, respectively, the Fund was rated 5, 5 and 5 stars among 352, 237 and 144 funds in the Diversified Emerging Mkts category for the time period ending 12/30/2011.

For each fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, load and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance Figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating™ metrics. Morningstar Rating™ is for Class A shares only; other classes may have different performance characteristics.

### Investment Manager of the Fund

The subadviser, Vontobel Asset Management, believes that the best way to achieve capital appreciation and outperform the market over time is by investing in well-managed businesses with consistent operating histories and financial performance that have favorable long-term economic prospects.

**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.

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