

**Virtus Balanced Fund, Virtus Growth & Income Fund,  
Virtus Strategic Growth Fund and Virtus Tactical Allocation Fund,  
each a series of Virtus Equity Trust**

Supplement dated September 30, 2011 to the  
Summary Prospectuses and Statutory Prospectus, each dated July 31, 2011

**IMPORTANT NOTICE TO INVESTORS**

**Virtus Balanced Fund, Virtus Growth & Income Fund and Virtus Tactical Allocation Fund**

As approved by the Board of Trustees of Virtus Equity Trust, effective September 30, 2011, Euclid Advisors LLC (“Euclid”) became the investment subadviser for the above-named funds, all or portions of which were previously managed directly by Virtus Investment Advisers, Inc. (“VIA”), the funds’ investment adviser. The portfolio managers at VIA responsible for the funds will continue to manage the funds on behalf of Euclid.

VIA will continue to be the funds’ investment adviser. No changes to the funds’ principal investment strategies are being made. Also, the fees and expenses paid by the funds remain unchanged.

Each fund’s summary and statutory prospectuses are hereby revised as described below.

- For Virtus Balanced Fund and Virtus Tactical Allocation Fund, the description of the adviser and subadviser under “Management” in each fund’s summary prospectus and in the respective summary section of the funds’ statutory prospectus is revised to read: “The fund’s investment adviser is Virtus Investment Advisers, Inc. (“VIA”). The fund’s subadvisers are Euclid Advisors LLC (“Euclid”) (equity portion) and Newfleet Asset Management, LLC (“Newfleet”) (fixed income portion), each an affiliate of VIA.” The first subheading “Portfolio Managers” and the description of Mr. Dickerson and Mr. Neel are removed and the following is added under the second subheading “Portfolio Managers:”

*David Dickerson*, Managing Director at Euclid, is a manager of the equity portion of the fund. Mr. Dickerson has been Portfolio Manager since 2009.

*Carlton Neel*, Senior Managing Director at Euclid, is a manager of the equity portion of the fund. Mr. Neel has been Portfolio Manager since 2009.

- For Virtus Growth & Income Fund, the description of the adviser under “Management” in the fund’s summary prospectus and in the summary section of the fund’s statutory prospectus is revised to add: “The fund’s subadviser is Euclid Advisors LLC (“Euclid”), an affiliate of VIA.” The description of Mr. Neel is replaced with the following: “Carlton Neel, Senior Managing Director at Euclid, is a manager of the fund. Mr. Neel has been Portfolio Manager since 2009.” The description of Mr. Dickerson is replaced with the following: “David Dickerson, Managing Director at Euclid, is a manager of the fund. Mr. Dickerson has been Portfolio Manager since 2009.”
- The second sentence in the second paragraph under “The Adviser” on page 62 is hereby deleted.
- The table showing subadvisers under “The Adviser” on page 62 is amended by adding or revising the following rows:

|                                 |  |
|---------------------------------|--|
| Virtus Balanced Fund            | Euclid Advisors LLC (“Euclid”) (equity portion) and Newfleet Asset Management, LLC (“Newfleet”) (fixed income portion) |
| Virtus Growth & Income Fund     | Euclid   |
| Virtus Tactical Allocation Fund | Euclid (equity portion) and Newfleet (fixed income portion)  |

- The following is added under “The Subadvisers” on page 63:

Euclid, an affiliate of VIA, is located at 900 Third Avenue, New York, NY 10022. As of September 30, 2011, Euclid had approximately \$3.7 billion in assets under management.

- The table showing subadvisory fees for each of the funds under “Management of the Funds” on page 64 is amended by adding the following rows:

|                                 |  |
|---------------------------------|--|
| Virtus Balanced Fund            | To Euclid: 50% of net investment management fee (equity portion)<br>To Newfleet: 50% of net investment management fee (fixed income portion) |
| Virtus Growth & Income Fund     | 50% of net investment management fee   |
| Virtus Tactical Allocation Fund | To Euclid: 50% of net investment management fee (equity portion)<br>To Newfleet: 50% of net investment management fee (fixed income portion) |

- The following sentence is added to the paragraph after the table showing subadvisory fees under “Management of the Funds” on page 64: “With respect to the Virtus Balanced Fund, Virtus Growth & Income Fund and Virtus Tactical Allocation Fund, the basis for the Board of Trustees approving the subadvisory agreement with Euclid is expected to be available in the funds’ 2011 semiannual report, covering the period April 1, 2011 through September 30, 2011.”
- The table and narrative under “VIA” on page 67 regarding portfolio managers is hereby deleted. The following disclosure is inserted on page 64 immediately preceding the information about portfolio managers of Harris.

***Euclid***

|   |  |
|---|--|
| Virtus Balanced Fund (equity portion only)            | Carlton Neel<br>David Dickerson<br>(both since 2009) |
| Virtus Growth & Income Fund                           | Carlton Neel<br>David Dickerson<br>(both since 2009) |
| Virtus Tactical Allocation Fund (equity portion only) | Carlton Neel<br>David Dickerson<br>(both since 2009) |

***David Dickerson.*** Mr. Dickerson is Managing Director of Euclid and Senior Vice President of Zweig Advisers, LLC (“Zweig”). He also serves as portfolio manager of the Virtus Alternatives Diversifier Fund, as well as The Zweig Fund, Inc. and The Zweig Total Return Fund, Inc., two closed-end funds managed by Zweig. For the period from July 2002 until returning to Zweig in April 2003, Mr. Dickerson was a managing director and principal of Shelter Rock Capital Partners, L.P., a market neutral hedge fund. While previously employed by Zweig from 1993 until July 2002, Mr. Dickerson served as senior portfolio manager for a number of the former Phoenix-Zweig mutual funds.

***Carlton Neel.*** Mr. Neel is Senior Managing Director of Euclid and Senior Vice President of Zweig. He also serves as portfolio manager of the Virtus Alternatives Diversifier Fund, as well as The Zweig Fund, Inc. and The Zweig Total Return Fund, Inc., two closed-end funds managed by Zweig. For the period from July 2002 until returning to Zweig in April 2003, Mr. Neel was a managing director and principal of Shelter Rock Capital Partners, L.P., a market neutral hedge fund. While previously employed by Zweig from 1995 until July 2002, Mr. Neel served as senior portfolio manager for a number of the former Phoenix-Zweig mutual funds.

**Virtus Strategic Growth Fund**

As approved by the Board of Trustees of Virtus Equity Trust, effective September 30, 2011, Kayne Anderson Rudnick Investment Management, LLC (“Kayne”) became the investment subadviser for the Virtus Strategic Growth Fund, which was previously subadvised by Newfleet Asset Management, LLC (formerly SCM Advisors, LLC) (“Newfleet”). The portfolio manager at Newfleet responsible for the fund will continue to manage the fund on behalf of Kayne.

VIA will continue to be the fund's investment adviser. No changes to the fund's principal investment strategies are being made. Also, the fees and expenses paid by the fund remain unchanged.

The fund's summary and statutory prospectuses are hereby revised as described below.

- The description of the adviser and subadviser under "Management" in the fund's summary prospectus and in the summary section of the fund's statutory prospectus is revised to read: "The fund's investment adviser is Virtus Investment Advisers, Inc. ("VIA"). The fund's subadviser is Kayne Anderson Rudnick Investment Management, LLC ("Kayne"), an affiliate of VIA (since September 2011)."
- The description of Mr. Couden under "Portfolio Manager" in the fund's summary prospectus and in the summary section of the fund's statutory prospectus is replaced with the following: "Douglas Couden, CFA, Portfolio Manager and Senior Analyst at Kayne, is the manager of the fund. Mr. Couden has been Portfolio Manager since 2005."
- The table showing subadvisers for each of the funds under "Management of the Funds" on page 62 is amended by revising the row applicable to the fund as follows:

|                              |       |
|------------------------------|-------|
| Virtus Strategic Growth Fund | Kayne |
|------------------------------|-------|

- The following sentence is added to the paragraph after the table showing subadvisory fees: "With respect to the Virtus Strategic Growth Fund, the basis for the Board of Trustees approving the subadvisory agreement with Kayne is expected to be available in the fund's 2011 semiannual report, covering the period April 1, 2011 through September 30, 2011."
- The information about Mr. Couden in the table under "Newfleet" on page 66 is moved to appear under "Kayne" on page 65. The biographical information for Mr. Couden under "Newfleet" is removed and the following is inserted under "Kayne."

*Douglas Couden, CFA*, manages the Strategic Growth Fund and is primarily responsible for the day-to-day management of the fund's portfolio. Mr. Couden has served on the fund's portfolio management team since 2005. Mr. Couden is Portfolio Manager and Senior Analyst at Kayne (since September 2011). Previously, he was Senior Portfolio Manager and Director of Equities at Newfleet, an affiliate of Kayne. Prior to joining Newfleet in 1996, he was a business analyst with PaineWebber, Inc. Mr. Couden has 17 years of investment experience.

**Investors should retain this supplement with the Summary Prospectus and the Statutory Prospectus for future reference.**

## Virtus Growth &amp; Income Fund



A: PDIAX

B: PBGIX

C: PGICX

I: PXIIX

Before you invest, you may want to review the fund's prospectus, which contains more information about the fund and its risks. You can find the fund's prospectus, statement of additional information (SAI), annual report and other information about the fund online at <http://www.virtus.com/individuals/forms/prospectuses.aspx?type=individual>.

You can also get this information at no cost by calling 800-243-1574 or by sending an e-mail to: [virtus.investment.partners@virtus.com](mailto:virtus.investment.partners@virtus.com). If you purchase shares of the fund through a broker-dealer or other financial intermediary (such as a bank), the prospectus and other information will also be available from your financial intermediary.

The fund's prospectus and SAI, both dated July 31, 2011, are incorporated by reference into this Summary Prospectus.

## Investment Objective

The fund has an investment objective of capital appreciation and current income.

## Fees and Expenses

The tables below illustrate all fees and expenses that you may pay if you buy and hold shares of the fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Virtus Mutual Funds. More information about these and other discounts, as well as eligibility requirements for each share class, is available from your financial advisor and under "Sales Charges" on page 75 of the fund's prospectus and "Alternative Purchase Arrangements" on page 48 of the fund's statement of additional information.

| Shareholder Fees <i>(fees paid directly from your investment)</i>   | Class A | Class B              | Class C              | Class I |
|---|---------|----------------------|----------------------|---------|
| Maximum Sales Charge (load) Imposed on Purchases (as a percentage of offering price)                          | 5.75%   | None                 | None                 | None    |
| Maximum Deferred Sales Charge (load) (as a percentage of the lesser of purchase price or redemption proceeds) | None    | 5.00% <sup>(a)</sup> | 1.00% <sup>(a)</sup> | None    |

| Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i> | Class A | Class B | Class C | Class I |
|---|---------|---------|---------|---------|
| Management Fees   | 0.75%   | 0.75%   | 0.75%   | 0.75%   |
| Distribution and Shareholder Servicing (12b-1) Fees   | 0.25%   | 1.00%   | 1.00%   | None    |
| Other Expenses  | 0.53%   | 0.53%   | 0.53%   | 0.53%   |
| Total Annual Fund Operating Expenses  | 1.53%   | 2.28%   | 2.28%   | 1.28%   |

- (a) The maximum deferred sales charge is imposed on Class B Shares redeemed during the first year; thereafter, it decreases 1% annually to 2% during the fourth and fifth years and to 0% after the fifth year. The deferred sales charge is imposed on Class C Shares redeemed during the first year only.

## Example

This example is intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the fund's operating expenses remain the same. In the case of Class B Shares, it assumes that your shares are converted to Class A Shares after eight years. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

|         | Share Status | 1 Year | 3 Years | 5 Years | 10 Years |
|---------|--------------|--------|---------|---------|----------|
| Class A | Sold or Held | \$722  | \$1,031 | \$1,361 | \$2,294  |
| Class B | Sold         | \$631  | \$912   | \$1,220 | \$2,427  |
|         | Held         | \$231  | \$712   | \$1,220 | \$2,427  |
| Class C | Sold         | \$331  | \$712   | \$1,220 | \$2,615  |
|         | Held         | \$231  | \$712   | \$1,220 | \$2,615  |
| Class I | Sold or Held | \$130  | \$406   | \$702   | \$1,545  |

## Portfolio Turnover

The fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the fund’s performance. During the most recent fiscal year, the fund’s portfolio turnover rate was 44% of the average value of its portfolio.

## Investments, Risks and Performance

### Principal Investment Strategies

A core portfolio, the fund focuses on large-cap U.S. stocks employing a Growth at a Reasonable Price philosophy in the security selection process. The adviser’s selection process begins with a top-down approach and econometric sector analysis. Industry level and fundamental security analysis is then utilized to identify securities that the adviser believes offer superior return opportunity.

Under normal circumstances, the fund invests at least 65% of its assets in common stocks; however, the adviser intends to invest nearly all of the fund’s assets in common stocks, rather than holding significant amounts of cash and short-term investments. Generally, the fund invests in issuers having capitalizations within the range of companies included in the Russell 1000® Index; however, the fund may invest in mid- and small-cap issuers as well. As of March 31, 2011, the market capitalization of companies included in the Russell 1000® Index was \$192.9 million to \$417.2 billion.

### Principal Risks

The fund may not achieve its objectives, and it is not intended to be a complete investment program. The value of the fund’s investments that supports your share value may decrease. If between the time you purchase shares and the time you sell shares the value of the fund’s investments decreases, you will lose money. Investment values can decrease for a number of reasons. Conditions affecting the overall economy, specific industries or companies in which the fund invests can be worse than expected, and investments may fail to perform as the adviser expects. As a result, the value of your shares may decrease. The principal risks of investing in the fund are:

- > **Equity Securities Risk.** The risk that events negatively affecting issuers, industries or financial markets in which the fund invests will impact the value of the stocks held by the fund and thus, the value of the fund’s shares over short or extended periods. Investments in smaller companies may be more volatile than investments in larger companies.
- > **Market Volatility Risk.** The risk that the value of the securities in which the fund invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be temporary or may last for extended periods.

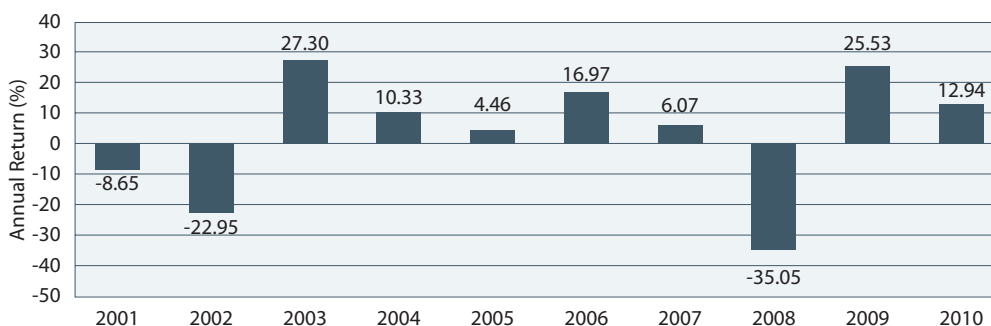
### Performance Information

The bar chart and table below provide some indication of the potential risks of investing in the fund. The fund’s past performance, before and after taxes, is not necessarily an indication of how the fund will perform in the future.

The bar chart shows changes in the fund’s performance from year to year over a 10-year period. The table shows how the fund’s average annual returns compare to those of a broad-based securities market index. Updated performance information is available at [virtus.com](http://virtus.com) or by calling 800-243-1574.

#### Calendar year total returns for Class A Shares (includes returns of a predecessor fund)

Returns do not reflect sales charges and would be lower if they did.



Best Quarter: Q2/2009: 17.89% Worst Quarter: Q4/2008: -20.00% Year-to-date (6/30/2011): 6.38%

## Average Annual Total Returns (for the periods ended 12/31/10; includes returns of a predecessor fund)

Returns reflect deduction of maximum sales charges and full redemption at end of periods shown.

|  | 1 Year | 5 Years | 10 Years | Since Inception<br>Class I<br>(11/13/07) |
|--|--------|---------|----------|--|
| Class A Shares   |        |         |          |  |
| Return Before Taxes  | 6.45%  | 1.17%   | 0.91%    | —  |
| Return After Taxes on Distributions                                | 6.32%  | 1.03%   | 0.81%    | —  |
| Return After Taxes on Distributions and Sale of Fund Shares        | 4.32%  | 0.98%   | 0.76%    | —  |
| Class B Shares   |        |         |          |  |
| Return Before Taxes  | 8.11%  | 1.62%   | 0.76%    | —  |
| Class C Shares   |        |         |          |  |
| Return Before Taxes  | 12.10% | 1.61%   | 0.75%    | —  |
| Class I Shares   |        |         |          |  |
| Return Before Taxes  | 13.18% | —       | —        | -2.86%                                   |
| S&P 500® Index (reflects no deduction for fees, expenses or taxes) | 15.06% | 2.29%   | 1.42%    | -2.92%                                   |

The S&P 500® Index is a free-float adjusted market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total-return basis with dividends reinvested.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. After-tax returns are shown only for Class A Shares; after-tax returns for other classes will vary. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. After-tax returns are not relevant to investors who hold fund shares in tax-deferred accounts or to shares held by non-taxable entities. In certain cases, the Return After Taxes on Distributions and Sale of Fund Shares for a period may be higher than other return figures for the same period. This will occur when a capital loss is realized upon the sale of fund shares and provides an assumed tax benefit that increases the return.

## Management

The fund's investment adviser is Virtus Investment Advisers, Inc. ("VIA").

### Portfolio Managers

- > **David Dickerson**, Senior Vice President of VIA, is a manager of the fund. Mr. Dickerson has been Portfolio Manager since March 2009.
- > **Carlton Neel**, Senior Vice President of VIA, is a manager of the fund. Mr. Neel has been Portfolio Manager since March 2009.

## Purchase and Sale of Fund Shares

| Purchase Minimums (except Class I Shares)  |            |
|--|------------|
| Minimum Initial Purchase   | \$2,500    |
| Individual Retirement Accounts (IRAs), systematic purchase or systematic exchange accounts           | \$100      |
| Defined contribution plans, asset-based fee programs, profit-sharing plans or employee benefit plans | No minimum |
| Minimum Additional Purchase  | \$100      |
| Defined contribution plans, asset-based fee programs, profit-sharing plans or employee benefit plans | No minimum |

For Class I Shares, the minimum initial purchase is \$100,000; there is no minimum for additional purchases.

In general, you can buy or sell shares of the fund by mail or telephone on any business day. You also may buy and sell shares through a financial advisor.

NOTE: Class B Shares are no longer available for purchase, except through reinvestment of dividends/capital gain distributions by existing shareholders and exchange of Class B shares of a fund for Class B shares of other Virtus Mutual Funds, as permitted by the existing exchange privileges (as set forth in the fund's prospectus).

## Taxes

The fund's distributions are taxable to you either as ordinary income or capital gains, except when your investment is through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Such tax-deferred arrangements may be taxed later upon withdrawal of monies from those arrangements.



c/o Virtus Mutual Funds  
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### **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase the fund through a broker-dealer or other financial intermediary (such as a bank), the fund and its related companies may pay the intermediary for the sale of fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your financial advisor to recommend the fund over another investment. Ask your financial advisor or visit your financial intermediary's Web site for more information.