

Fund Information

Symbol and CUSIP

A shares	PHCHX	(92828R784)
C shares	PGHCX	(92828R768)
I shares	PHCIX	(92828W767)
R6 shares	VRHYX	(92828W262)

Investment Adviser

Virtus Investment Advisers, Inc.

Investment Subadviser

Newfleet Asset Management, LLC

AUM (\$ millions)	71.1
Number of Holdings	378
Dividends	Daily

Investment Professionals

David L. Albrycht, CFA
Industry start date: 1985
Start date with Fund: 2011

Kyle A. Jennings, CFA
Industry start date: 1992
Start date with Fund: 2011

Francesco Ossino
Industry start date: 1996
Start date with Fund: 2012

Jonathan Stanley, CFA
Industry start date: 1997
Start date with Fund: 2012

INVESTMENT OPPORTUNITY

The fund is appropriate for investors seeking diversification and the potential rewards associated with investing in high-yield, fixed income securities.

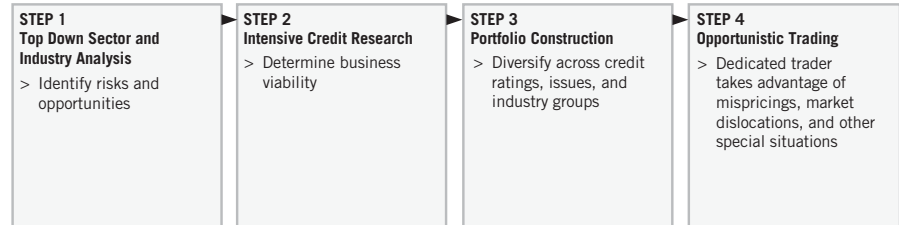
The subadviser uses an investment process that focuses on adding value through issue selection, sector/industry selection and opportunistic trading.

The fund will generally overweight sectors and industries with well-valued companies whose business profiles are viewed to be improving.

SEC Yield	4.93%
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SEC Yield (Class A share only) represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. All performance figures reflect a partial waiver of fees where applicable. Without the partial waiver of fees, the performance figures would be lower. The SEC Yield would have been 4.54%.

Investment Process



Average Annual Total Returns

 Class A as of 06/30/2017 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 07/28/1980
NAV	1.28	4.01	10.33	3.21	6.10	5.19	7.43
POP	-2.52	0.11	6.20	1.91	5.30	4.79	7.32
Index	2.17	4.92	12.69	4.50	6.90	7.76	n/a

The fund class gross expense ratio is 1.43%. The net expense ratio is 1.02%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.00%.

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 3.75%. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid.

Annual Performance

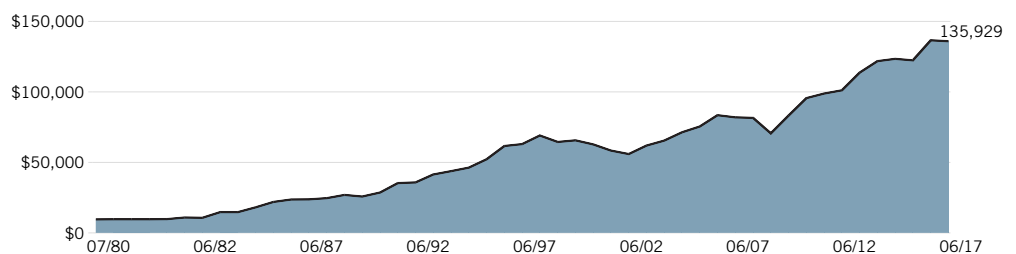
 Class A at NAV in percent

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fund	2.24	-23.91	31.15	12.58	3.12	16.19	6.21	2.14	-2.74	13.04
Index	2.26	-25.88	58.76	14.94	4.96	15.78	7.44	2.46	-4.43	17.13

Growth of \$10,000

 Class A for the period ending 06/30/2017

Actual initial investment \$9,625



This chart assumes an initial investment of \$10,000 made on Jul 28, 1980 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 Bloomberg Barclays U.S. High-Yield 2% Issuer Capped Bond Index is a market capitalization-weighted index that measures fixed rate non-investment grade debt securities of U.S. and non-U.S. corporations. No single issuer accounts for more than 2% of market cap. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Industry Allocations	% Fund	Ratings Distribution	% Fund
Consumer Non-Cyclical	18.33	Aaa	2.83
Communications	17.24	Aa	0.00
Consumer Cyclical	15.06	A	0.00
Energy	11.49	Baa	6.09
Basic Industry	9.34	Ba	36.08
Financial Institutions	7.81	B	40.96
Capital Goods	6.54	Caa	11.98
Technology	3.68	Ca	0.01
Cash	2.83	C	0.00
Utility	2.44	D	0.36
Agency	1.45	Not Rated	1.69
Asset Backed Securities	1.11		
Other Industrial	0.96		
Sovereign	0.82		
Transportation	0.74		
RMBS	0.15		

Characteristics	Fund
Duration	3.57 years
Standard Deviation	5.17

IMPORTANT RISK CONSIDERATIONS:

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

High Yield-High Risk Fixed Income Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities. **Foreign Investing:** Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Prospectus:** For additional information on risks, please see the fund's prospectus.

RATINGS DISTRIBUTION METHODOLOGY:

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation's or government debt issues. The ratings apply to the fund's holdings and not the fund itself. The higher of the ratings between Moody's, Standard & Poor's and Fitch is used. If one of the three agencies does not have a rating, the higher of the other two ratings is used. If only one agency has rated the bond, the rating from that agency is used. If none of the three agencies have rated the bond the bond is placed in the Not Rated category. Credit ratings are subject to change. Aaa, Aa, A, and Baa are investment grade ratings; Ba, B, Caa, Ca, C and D are below-investment grade ratings.

Income Paid Monthly:	NAV at Month-End
April \$ 0.016919	4.27
May \$ 0.018095	4.28
June \$ 0.019359	4.24

GLOSSARY

Duration represents the interest rate sensitivity of a fixed income fund. For example, if a fund's duration is five years, a 1% increase in interest rates would result in a 5% decline in the fund's price. Similarly, a 1% decline in interest rates would result in a 5% gain in the fund's price.

Standard Deviation (3 year) measures variability of returns around the average return for an investment fund. Higher standard deviation suggests greater risk.

Effective May 8, 2017 this fund changed its name from the Virtus High Yield Fund.

Investment Manager of the Fund

Newfleet leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction.

Please carefully consider a Fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit Virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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