

## Fund Information

### Symbol and CUSIP

A shares	PDIAX	(92828N874)
C shares	PGICX	(92828N858)
I shares	PXIX	(92828N841)

### Investment Adviser

Virtus Investment Advisers, Inc.

### Investment Subadviser

Rampart Investment Management Company, LLC

<b>AUM (\$ millions)</b>	170.7
<b>Number of Holdings</b>	533
<b>Dividends</b>	Semi-Annually

## Investment Professionals

Warun Kumar

Industry start date: 1993

Start date with Fund: 2016

Michael Davis

Industry start date: 1999

Start date with Fund: 2016

Brendan R. Finneran, CMT

Industry start date: 2003

Start date with Fund: 2014

Robert F. Hofeman, Jr.

Industry start date: 2002

Start date with Fund: 2014

## INVESTMENT OPPORTUNITY

The fund offers exposure to U.S. equities with an investment objective of capital appreciation and current income.

The fund seeks to achieve its investment objective of capital appreciation by investing in ETFs, and/or securities representing the S&P 500 and the primary sectors of the S&P 500® Index, and market segments that include low volatility and high beta securities. Allocations are based on a proprietary rules-based momentum model that looks to overweight sectors and market segments that experienced stronger recent relative performance.

Current income is achieved through an options strategy, utilizing index-based, out-of-the-money put and call credit spreads. The strategy is driven by implied volatility, as measured by the CBOE Volatility Index (VIX), and seeks to exploit pricing inefficiencies in the S&P 500® Index.

Effective December 8, 2014 this fund changed its strategy and its subadviser to Rampart Investment Management. Prior to October 11, 2016, the fund's name was the Virtus Growth & Income Fund. Effective May 8, 2017 this fund changed its name from the Virtus Enhanced Core Equity Fund.

## Investment Process

### STEP 1

> Proprietary Systematic Relative Strength (SRS) model allocates assets across 13 U.S. equity segments representing:

- S&P 500® Index
- 10 Sectors of the S&P 500
- S&P 500 High Beta
- S&P 500 Low Volatility

> Tilt toward sectors demonstrating strongest relative strength.

### STEP 2

> If the high beta or low volatility segments display stronger relative performance than the S&P 500, they will be incrementally overweighted.

> If any S&P 500 sectors display stronger relative performance than the Index, they will be incrementally overweighted.

### STEP 3

> A proprietary Portable Yield Strategy is used to generate incremental yield by writing put and call spreads on the S&P 500® Index.

## 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 09/25/1997
NAV	3.82	8.98	18.91	9.59	13.96	6.32	6.71
POP	-2.15	2.71	12.07	7.45	12.62	5.69	6.39
Index	3.09	9.34	17.90	9.61	14.63	7.18	6.87

The fund class gross expense ratio is 1.54%. The net expense ratio is 1.41%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

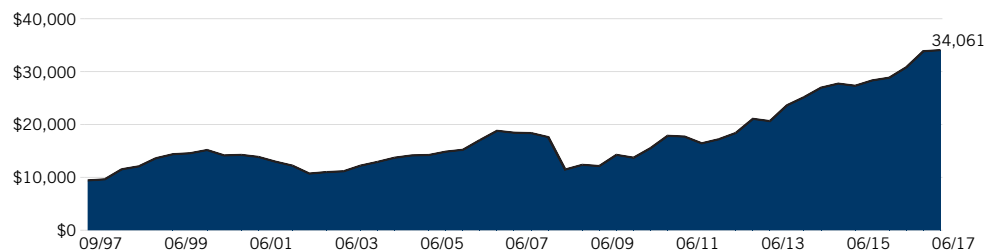
The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.25%.

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 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	6.07	-35.05	23.57	12.94	-2.05	14.30	28.73	13.04	2.98	11.90
Index	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96

## Growth of \$10,000 Class A for the period ending 06/30/2017 Actual initial investment \$9,425



This chart assumes an initial investment of \$10,000 made on Sep 25, 1997 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 S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Top Ten Holdings	% Fund
Powershares S&P 500 Low Volatility Portfolio	3.78
Apple Inc.	3.56
Microsoft Corporation	2.51
Amazon.com, Inc.	1.82
Johnson & Johnson	1.68
Facebook, Inc. Class A	1.67
Exxon Mobil Corporation	1.42
Berkshire Hathaway Inc. Class B	1.35
JPMorgan Chase & Co.	1.34
Alphabet Inc. Class A	1.31

Sector Allocations	% Equity
Information Technology	22.72
Health Care	14.56
Financials	13.31
Consumer Discretionary	12.46
Industrials	10.80
Consumer Staples	9.57
Energy	5.31
Utilities	3.72
Materials	2.68
Telecommunication Services	2.16

Holdings and Sector weightings are subject to change.

## Investment Manager of the Fund

Rampart Investment Management strives to generate incremental yield and dampen portfolio volatility through the use of systematic and disciplined options solutions.

*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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Characteristics	Fund
Average Weighted Market Cap (bn)	\$166.73
Median Market Cap (bn)	\$20.8
Trailing P/E	20.09x
Price-to-Cash Flow	
Price-to-Book Value	4.58
3-Year EPS Growth Rate	5.79

## Risk Statistics

Class A 3-Year	Fund	Index
R <sup>2</sup>	0.86	1.00
Beta	0.94	1.00
Standard Deviation	10.35	10.21

## 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.

**3-Year EPS Growth Rate:** Average of earnings per share growth for latest 3-year period. The 3-Year EPS Growth Rate is not a forecast of the portfolio's performance.

## IMPORTANT RISK CONSIDERATIONS:

**Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Call/Put Spreads:** Buying and selling call and put option spreads on the SPX Index risks the loss of the premium when buying, can limit upside participation and increase downside losses.

**Portfolio Turnover:** The fund's principal investments strategies will result in a consistently high portfolio turnover rate. 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. **Fund of Funds:** Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

**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.