



## 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

**AUM (\$ millions)** 185.6

**Number of Holdings** 524

**Dividends** 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 outperforming common benchmark indexes.

The fund seeks to achieve this investment objective by investing in a base equity portfolio consisting of stocks and ETFs that closely mirror the S&P 500 Index. A medium-term relative strength model is used to slightly increase exposure to the strongest market sectors. Typical sector tilts are in the range of 0.50% - 2% in excess of index weights.

To enhance this base equity portfolio, a proprietary options trading strategy is employed. This strategy takes advantage of a well-known market inefficiency which leads to a slight overpricing of certain options contracts.

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 to the Virtus Rampart Enhanced Core Equity Fund.

## Large Blend

Overall Morningstar Rating™ Based on risk adjusted returns as of 09/30/2017. Rating out of 1218 Funds.

## Investment Process

### > Establish base equity portfolio:

- All stocks and sectors of the S&P 500® Index are represented
- May incorporate minor tilts towards the strongest performing market sectors
- Strives to tightly track market beta

### > Enhance using proprietary options-trading strategy:

- Sell index-linked put and call spreads to generate premium income
- Retain profits if market volatility does not dramatically increase over short periods of time (typically two weeks or less)
- These put and call spreads incorporate tight risk controls, containing losses in the case of outsized market moves

## Average Annual Total Returns Class I at NAV as of 09/30/2017 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 11/13/2007
Fund	5.37	14.93	23.74	11.91	14.02	n/a	7.26
Index	4.48	14.24	18.61	10.81	14.22	n/a	7.83

*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.*

*The fund class gross expense ratio is 1.13%. The net expense ratio is 0.96%, which reflects a contractual expense reimbursement in effect through 7/31/2018. This ratio reflects the direct and indirect expenses paid by the Fund.*

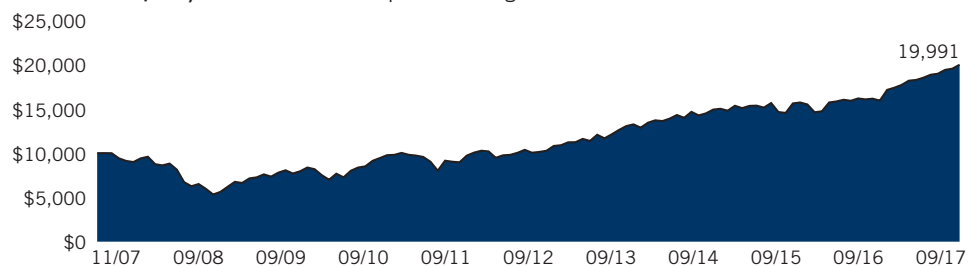
*The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.95%.*

*Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Class I shares have no sales charge and therefore their returns do not reflect the deduction of a sales charge, which if applied, would reduce the performance quoted. Fees and expenses vary among share classes and other share classes do carry sales charges. Class I shares are offered primarily to eligible institutional investors who purchase the minimum amounts required and may not be available to all investors. For fund performance on other share classes, please visit [www.virtus.com](http://www.virtus.com)*

## Annual Performance Class I in percent

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fund	n/a	-34.88	23.93	13.18	-1.80	14.55	29.05	13.31	3.24	12.20
Index	n/a	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96

## Growth of \$10,000 Class I for the period ending 09/30/2017



*An investment of \$10,000 made on 11/13/2007 would be worth \$19,991.19 on 09/30/2017, assuming no front end sales charges.*

*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
Apple Inc.	3.71
Powershares S&P 500 Low Volatility Portfolio	3.57
Microsoft Corporation	2.66
Facebook, Inc. Class A	1.87
Johnson & Johnson	1.64
Amazon.com, Inc.	1.60
Exxon Mobil Corporation	1.47
Berkshire Hathaway Inc. Class B	1.46
JPMorgan Chase & Co.	1.42
Alphabet Inc. Class A	1.34

### Risk Statistics

Class I 3-Year	Fund	Index
R <sup>2</sup>	0.86	1.00
Beta	0.91	1.00
Standard Deviation	9.78	9.93
Alpha	1.88	0.00
Sharpe Ratio	1.19	1.06

### Sector Allocations

Sector Allocations	% Equity
Information Technology	23.80
Health Care	14.93
Financials	14.21
Consumer Discretionary	11.14
Industrials	10.11
Consumer Staples	8.01
Energy	5.70
Utilities	3.76
Materials	3.10
Telecommunication Services	2.21

Holdings and Sector weightings are subject to change.

### Investment Manager of the Fund

Rampart Investment Management, an investment management affiliate of Virtus Investment Partners, is one of the leading asset managers specializing in option strategies. A registered investment adviser since 1983, Rampart manages client positions and portfolios using domestic and international index and equity options.

**Morningstar** For the 3- and 5-year periods, respectively, the Fund was rated 5 and 4 stars among 1218 and 1083 funds in the Large Blend category for the time period ending 09/30/2017.

**Morningstar Rating™** for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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Characteristics	Fund
Average Weighted Market Cap (bn)	\$176.77
Median Market Cap (bn)	\$21.06
Trailing P/E	20.21x
Price-to-Book Value	4.54
3-Year EPS Growth Rate	5.99

### 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/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 a forecast of the portfolio's performance.

**Alpha:** A measure of performance on a risk-adjusted basis.

**Sharpe Ratio:** A statistic that measures the efficiency, or excess return per unit of risk, of a manager's returns. It is calculated by taking the portfolio's annualized return, minus the annualized risk-free rate (typically the 30-Day T-Bill return), divided by the portfolio's annualized standard deviation. The greater the Sharpe Ratio, the better the portfolio's risk adjusted return.

### 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.