

INVESTMENT OVERVIEW

The Fund seeks attractive long-term returns by investing in U.S. companies that are owned or operated by wealthy individuals with a significant vested personal stake in the business, and thereby committed to building long-term value (e.g., shareholders' equity).

KEY FEATURES

**Alignment of Interests** — Owner-operators have significant common equity interests, frequently using their companies as a primary means to generate personal wealth – a potential positive for the shareholders they invest alongside

**Real Value vs. Quarterly Results** — Owner-operators tend to be more concerned with capturing long-term business performance and less concerned with short-term results

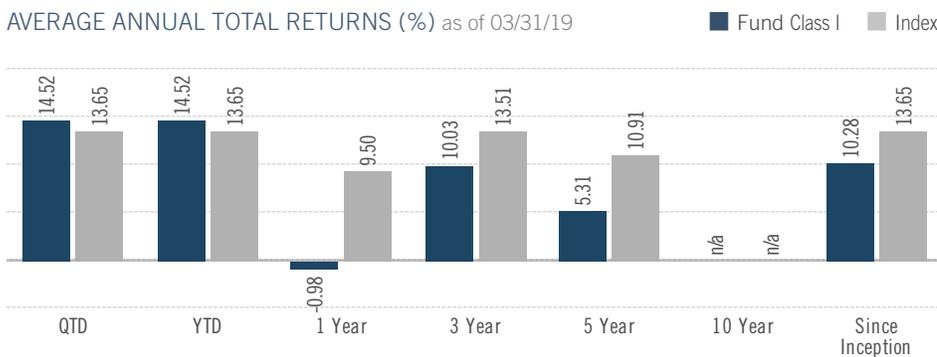
**Informational Advantage** — Owner-operators with successful long-term track records have access to a denser network of business relationships, deal opportunities, and capital on more favorable terms

FUND INFORMATION

|          | Ticker | CUSIP     |
|----------|--------|-----------|
| A Shares | VWMAX  | 92828W817 |
| C Shares | VWMCX  | 92828W791 |
| I Shares | VWMIX  | 92828W783 |

|                      |                    |
|----------------------|--------------------|
| Inception Date       | 09/05/12           |
| AUM (\$ millions)    | 56.2               |
| Number of Holdings   | 162                |
| Dividends            | Semi-Annually      |
| Morningstar Category | Mid-Cap Blend      |
| Lipper Category      | Mid-Cap Core Funds |
| Index                | S&P 500® Index     |

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/19



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.

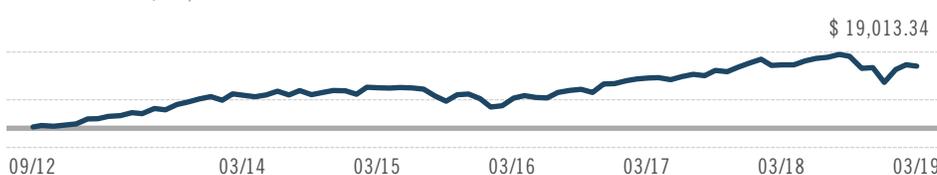
The fund class gross expense ratio is 1.22%. The net expense ratio is 1.00%, which reflects a contractual expense reimbursement in effect through 1/31/2020.

Average annual total return is the annual compound return for the indicated period and reflects the change in share price and the reinvestment of all dividends and capital gains. Returns for periods of one year or less are cumulative returns. Class I shares have no sales charges or distribution or service fees, therefore their returns do not reflect these expenses. Fees and expenses vary, and other share classes are subject to sales charges and fees. Class I shares are offered primarily to eligible institutional investors who purchase the minimum amounts required as described in the prospectus 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 (%)

|       | 2018   | 2017  | 2016  | 2015  | 2014  | 2013  | 2012 | 2011 | 2010 | 2009 |
|-------|--------|-------|-------|-------|-------|-------|------|------|------|------|
| Fund  | -14.59 | 18.35 | 15.69 | -7.54 | 5.91  | 38.69 | n/a  | n/a  | n/a  | n/a  |
| Index | -4.38  | 21.83 | 11.96 | 1.38  | 13.69 | 32.39 | n/a  | n/a  | n/a  | n/a  |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 9/5/2012. As of 3/29/2019 the fund value would have been \$19,013.34. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

MORNINGSTAR RATINGS

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| Overall     | ★★         | 377        |
| 3 Year      | ★★★★       | 377        |
| 5 Year      | ★★         | 330        |
| 10 Year     | Not Rated  | n/a        |

Strong ratings are not indicative of positive fund performance. The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Horizon Kinetics Asset Management, a subsidiary of Horizon Kinetics, LLC believes that companies managed or influenced by individuals who have significant personal wealth invested in their firms will outperform the broad equity market.

PORTFOLIO MANAGERS

**Murray Stahl**

Industry start date: 1978

Start date as Fund Portfolio Manager: 2012

**Matthew Houk**

Industry start date: 2005

Start date as Fund Portfolio Manager: 2012

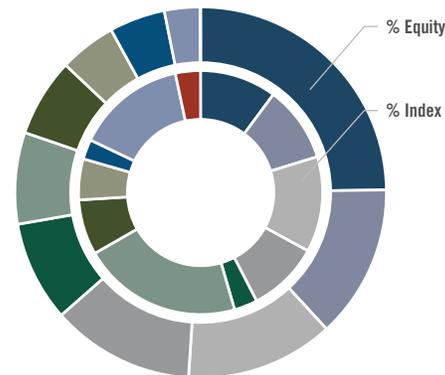
| CHARACTERISTICS                   | Fund  | Index  |
|-----------------------------------|-------|--------|
| Avg. Weighted Market Cap (bn)     | 29.01 | 230.72 |
| Median Market Cap (bn)            | 5.05  | 21.53  |
| Trailing P/E Ex-Negative Earnings | 16.66 | 20.00  |
| Price-to-Cash Flow                | 13.21 | 17.16  |
| Price-to-Book Value               | 3.39  | 5.11   |
| 3-Year EPS Growth Rate            | 12.12 | 13.38  |
| 5-Year EPS Growth Rate            | 7.68  | 8.12   |
| Active Share                      | 92.23 | n/a    |

| RISK STATISTICS<br>(3 YEAR) | Fund  | Index |
|-----------------------------|-------|-------|
| Alpha                       | -4.17 | n/a   |
| Beta                        | 1.12  | 1.00  |
| R <sup>2</sup>              | 0.73  | 1.00  |
| Sharpe Ratio                | 0.64  | 1.17  |
| Standard Deviation          | 13.87 | 10.58 |

| TOP TEN HOLDINGS                     | % Fund |
|--------------------------------------|--------|
| NantKwest Inc                        | 0.73   |
| Wendy's Co/The                       | 0.67   |
| RPC Inc                              | 0.66   |
| American Eagle Outfitters Inc        | 0.66   |
| Viacom Inc                           | 0.66   |
| Sears Hometown and Outlet Stores Inc | 0.66   |
| Seaspan Corp                         | 0.65   |
| XPO Logistics Inc                    | 0.65   |
| Dick's Sporting Goods Inc            | 0.65   |
| Constellation Brands Inc             | 0.65   |

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



| Sector                 | % Equity | % Index |
|------------------------|----------|---------|
| Consumer Discretionary | 24.78    | 10.15   |
| Communication Services | 13.36    | 10.11   |
| Financials             | 12.91    | 12.69   |
| Industrials            | 12.47    | 9.48    |
| Real Estate            | 8.75     | 3.09    |
| Information Technology | 7.97     | 21.19   |
| Consumer Staples       | 6.81     | 7.33    |
| Energy                 | 4.96     | 5.43    |
| Materials              | 4.85     | 2.64    |
| Health Care            | 3.14     | 14.57   |
| Utilities              | 0.00     | 3.33    |

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. **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.

GLOSSARY

**Avg. Weighted Market Cap (bn):** The total dollar market value of all of a company's outstanding shares. **Trailing P/E Ex-Negative Earnings:** Per share stock price divided by the latest 12-months earnings per share. **Price-to-Cash Flow:** Per-share stock price divided by the per-share operating cash flow. **Price-to-Book Value:** A ratio used to compare a stock's market value to its book value. **3-Year EPS Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year EPS Growth Rate:** Average of earnings per share growth for latest 5-year period. **Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R<sup>2</sup>:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

INDEX DEFINITION

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.

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