

INVESTMENT OVERVIEW

The Fund provides exposure to U.S. equities with the goal of low tracking error relative to the S&P 500® Index. Slight tilts toward those areas demonstrating the strongest relative strength will be systematically incrementally overweighted. This, combined with an innovative options overlay strategy, seeks to provide greater returns than the S&P 500® Index with a similar level of risk.

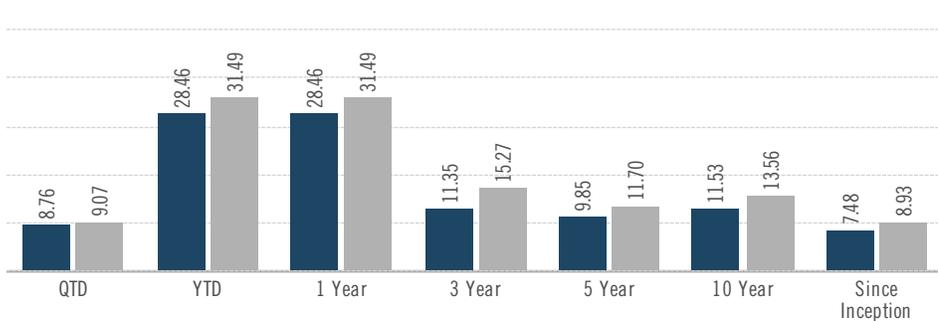
KEY FEATURES

Proprietary Options Trading Strategy — The options strategy seeks to exploit pricing inefficiencies in the S&P 500® Index options market. This type of strategy tends to be less accessible and more difficult to consistently implement outside of professional investment management

Lower Correlation — Excess returns generated from the options strategy tend to be less correlated with equity markets

Risk Mitigation — All options trades are short dated and have defined loss parameters

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/19



Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See virtus.com for details.

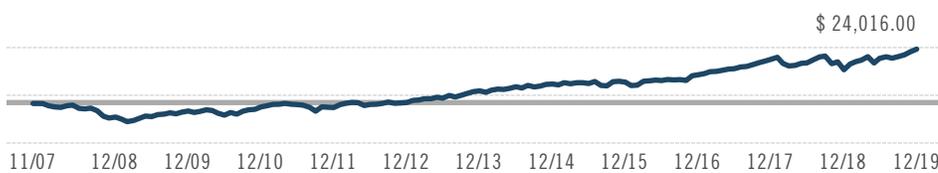
The fund class gross expense ratio is 1.09%. The net expense ratio is 0.95%, which reflects a contractual expense reimbursement in effect through 1/31/2021.

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.

ANNUAL PERFORMANCE (%)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Fund	28.46	-12.50	22.83	12.20	3.24	13.31	29.05	14.55	-1.80	13.18
Index	31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 11/13/2007. As of 12/31/2019 the fund value would have been \$24,016.00. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	PDIAX	92828N874
C Shares	PGICX	92828N858
I Shares	PXIIX	92828N841
R6 Shares	VECRX	92828N239

Inception Date	11/13/07
AUM (\$ millions)	146.3
Number of Holdings	528
Dividends	Semi-Annually
Morningstar Category	Large Blend
Lipper Category	Large-Cap Core Funds
Index	S&P 500® Index

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★	1,203
3 Year	★★	1,203
5 Year	★★★	1,058
10 Year	★★	808

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive future performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



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.

PORTFOLIO MANAGERS

Warun Kumar

Industry start date: 1993
Start date as Fund Portfolio Manager: 2016

Michael Davis

Industry start date: 1999
Start date as Fund Portfolio Manager: 2016

Brendan R. Finneran, CMT

Industry start date: 2003
Start date as Fund Portfolio Manager: 2014

Robert F. Hofeman, Jr.

Industry start date: 2002
Start date as Fund Portfolio Manager: 2014

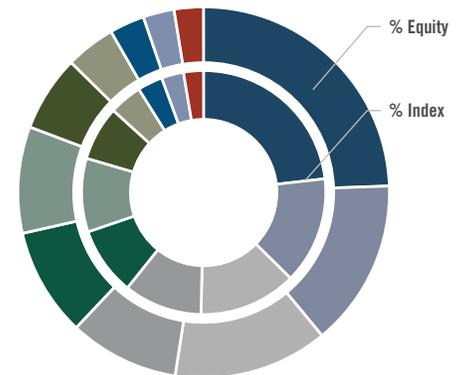
CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	288.86	291.32
Median Market Cap (bn)	23.89	23.85
Trailing P/E Ex-Negative Earnings	22.79	23.02
Price-to-Cash Flow	19.13	19.14
Price-to-Book Value	6.29	6.30
3-Year EPS Growth Rate	14.78	14.76
5-Year EPS Growth Rate	9.73	9.67
Active Share	3.55	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-4.09	n/a
Beta	1.06	1.00
R ²	0.94	1.00
Sharpe Ratio	0.75	1.14
Standard Deviation	13.00	11.93

TOP TEN HOLDINGS	% Fund
Apple Inc	4.64
Microsoft Corp	4.50
Amazon.com Inc	2.60
Invesco S&P 500 High Beta ETF	2.52
Berkshire Hathaway Inc	1.66
JPMorgan Chase & Co	1.66
Facebook Inc	1.65
Johnson & Johnson	1.44
Alphabet, Inc.- CI C	1.36
Alphabet, Inc.- CI A	1.35

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



Sector	% Equity	% Index
Information Technology	24.45	23.20
Health Care	14.56	14.20
Financials	13.46	12.95
Communication Services	9.56	10.39
Industrials	9.45	9.05
Consumer Discretionary	9.27	9.75
Consumer Staples	6.61	7.20
Energy	4.34	4.35
Utilities	3.05	3.32
Real Estate	2.70	2.93
Materials	2.56	2.65

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. **Portfolio Turnover:** The fund's principal investment 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. **Options Overlay:** The options overlay strategy may not be successful in achieving its objective of increasing distributable income while limiting the risk of loss and, in periods of significant moves in the S&P 500 Index, has resulted and, in the future, may result in losses for investors. **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. **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). **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. **R²:** 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.

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. Ratings do not take into account the effect of sales charges and loads.

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