

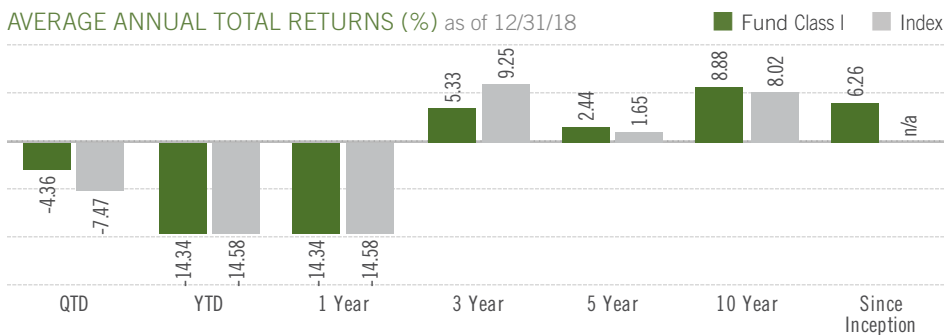
INVESTMENT OVERVIEW

The Fund offers investors exposure to emerging market economies through well-established companies that demonstrate durable and sustainable earnings growth. Fundamental, bottom-up research aims to identify well-managed businesses with consistent operating histories and financial performance that have favorable long-term economic prospects, and, in most cases, generate free cash flow.

KEY FEATURES

- High-Quality Growth** — Searches for quality, high-return growth businesses with strong profitability and durable franchises, trading at attractive valuations
- Benchmark Unconstrained** — A high-conviction, concentrated approach to investing that focuses on minimizing business risk rather than Index risk
- Lower Volatility Approach** — A long-term-focused investment philosophy and approach which strives to offer market participation with less risk and volatility than the Index

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/18



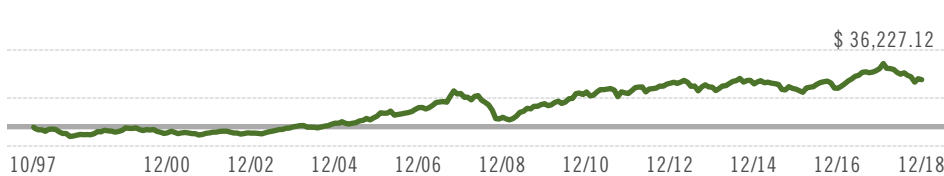
Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

The fund class gross expense ratio is 1.29% and reflects the direct and indirect expenses paid by the Fund. The gross expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.28%. 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.

ANNUAL PERFORMANCE (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund	-14.34	34.47	1.46	-8.55	5.54	-6.32	19.88	-2.92	28.15	48.52
Index	-14.58	37.28	11.19	-14.92	-2.19	-2.60	18.22	-18.42	18.88	78.51

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/20/1997. As of 12/31/2018 the fund value would have been \$36,227.12. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	HEMZX	92828W387
C Shares	PICEX	92828W379
I Shares	HIEMX	92828W361
R6 Shares	VREMX	92828W353

Inception Date	10/20/97
AUM (\$ millions)	6,244.8
Number of Holdings	51
Dividends	Semi-Annually
Morningstar Category	Diversified Emerging Mkts
Lipper Category	Emerging Markets Funds
Index	MSCI Emerging Markets Index (net)

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★★	708
3 Year	★★	708
5 Year	★★★★★	533
10 Year	★★★★★	238

Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER

Vontobel

Vontobel Asset Management believes that the best way to achieve capital appreciation and outperform the market over time is by investing in well-managed businesses with consistent operating histories and financial performance that have favorable long-term economic prospects.

PORTFOLIO MANAGERS

Matthew Benkendorf
Industry start date: 1998
Start date with Fund: 2016

Brian Bandsma
Industry start date: 1998
Start date with Fund: 2016

Jin Zhang, CFA
Industry start date: 1995
Start date with Fund: 2016

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	40.79	43.56
Median Market Cap (bn)	13.82	1.83
Trailing P/E Ex-Negative Earnings	18.98	11.61
Price-to-Cash Flow	15.68	11.31
Price-to-Book Value	4.10	2.74
3-Year EPS Growth Rate	11.93	14.28
5-Year EPS Growth Rate	12.41	11.25
Active Share	81.70	n/a

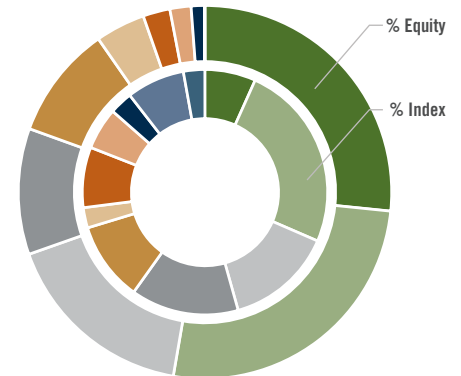
RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-2.00	n/a
Beta	0.79	1.00
R ²	0.78	1.00
Sharpe Ratio	0.33	0.57
Standard Deviation	13.06	14.60

TOP TEN HOLDINGS	% Fund
HDFC Bank Limited	5.61
Tencent Holdings Ltd.	4.06
Ambev SA Sponsored ADR	3.91
Unilever NV Cert. of shs	3.80
Tata Consultancy Services Limited	3.55
Fomento Economico Mexicano SAB de CV Sponsored ADR Class B	3.54
Housing Development Finance Corporation Limited	3.32
Alibaba Group Holding Ltd. Sponsored ADR	3.29
NetEase, Inc. Sponsored ADR	3.16
PT Telekomunikasi Indonesia, Tbk Class B	2.91

TOP TEN COUNTRIES	% Invested Assets	% Index
India	22.31	9.39
China	14.89	30.41
Brazil	11.22	7.49
Mexico	7.72	2.78
Netherlands	6.69	0.00
Hong Kong	6.18	0.00
Indonesia	6.00	2.31
Korea (South)	4.96	13.77
Taiwan	3.89	11.39
Thailand	3.72	2.43

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



Sector	% Equity	% Index
Consumer Staples	26.62	6.71
Financials	26.10	24.80
Communication Services	16.89	14.12
Information Technology	10.92	14.24
Consumer Discretionary	9.80	10.43
Utilities	4.31	2.68
Energy	2.35	7.96
Industrials	1.82	5.52
Real Estate	1.19	3.03
Materials	0.00	7.68
Health Care	0.00	2.82

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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Geographic Concentration:** A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location. **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. **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 MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. The index is calculated on a total return basis with net 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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