

**INVESTMENT OVERVIEW**

The Fund seeks attractive long-term returns by investing in international companies with attractive cash flow and valuation metrics. Coupled with deep fundamental analysis, stocks are selected based on cash flow return on invested capital, which can better capture a company's true economic return by avoiding global accounting differences and creating more accurate comparisons between countries.

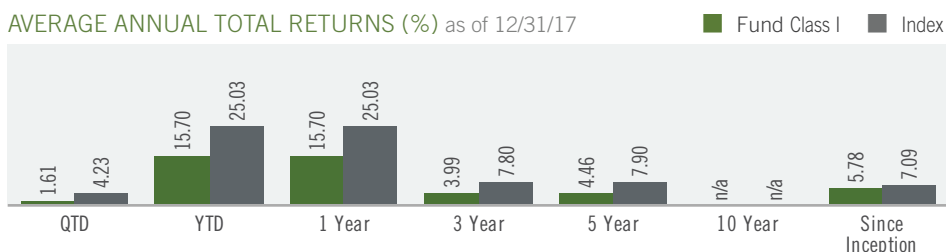
**KEY FEATURES**

**A Focus on Cash Flow Returns** – Bottom-up research emphasizes profitability on invested capital, measuring a company's ability to create value

**Top-Down Trends Help Control Risk** – Macro research helps inform regional, country, and sector allocations, with more weight in periods of structural instability and heightened correlations

**Benchmark Agnostic** – High-conviction portfolio of 30-40 securities searches for opportunity wherever cash flow returns appear mispriced, across market capitalizations with a bias toward quality and value

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/17

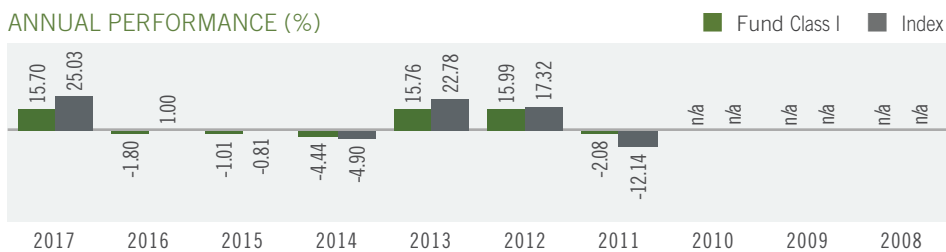


Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original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

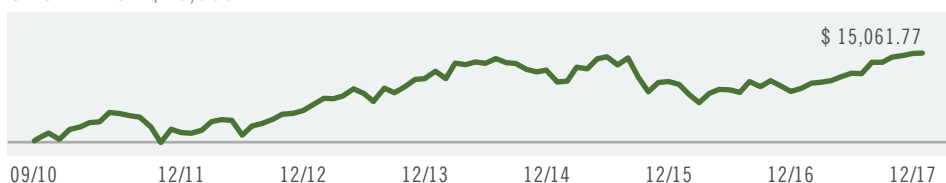
The fund class gross expense ratio is 2.78%. The net expense ratio is 1.02%, which reflects a contractual expense reimbursement in effect through 1/31/2019.

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 (%)



GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 9/16/2010. As of 12/29/2017 the fund value would have been \$15,061.77. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

The MSCI EAFE® Index (net) is a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada. 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.

The subadviser of the Fund transitioned from Euclid Advisors LLC to Duff & Phelps Investment Management Co. on September 7, 2016, following Euclid's assumption of responsibilities on May 22, 2013. There was no change to the portfolio manager or the investment approach. Performance prior to May 22, 2013 was attained by the prior manager. Effective May 8, 2017 this fund changed its name from the Virtus International Equity Fund.

**FUND INFORMATION**

	Ticker	CUSIP
A Shares	VIEAX	92828R222
C Shares	VIECX	92828R214
I Shares	VIIEX	92828R198

Inception Date	09/16/10
AUM (\$ millions)	3.7
Number of Holdings	34
Dividends	Semi-Annually
Morningstar Category	Foreign Large Blend
Lipper Category	International Large-Cap Growth

**MORNINGSTAR RATINGS**

Time Period	# of Stars	# of Funds
Overall	★	597
3 Year	★	597
5 Year	★	535
10 Year	Not Rated	n/a

Strong ratings are not indicative of positive fund performance.

**INVESTMENT ADVISER**

Virtus Investment Advisers, Inc.

**INVESTMENT SUBADVISER**

Duff & Phelps Investment Management Co.



Duff & Phelps Investment Management Co. offers a product mix comprised of Global Listed Infrastructure, Global Real Estate, Energy & MLPs, and International Equity. The product mix has emanated from the in-depth fundamental research expertise in listed infrastructure securities that the firm first established in 1932.

**PORTFOLIO MANAGER**

**Frederick A. Brimberg**  
 Industry start date: 1979  
 Start date with Fund: 2013

CHARACTERISTICS	Fund	Index
Average Weighted Market Cap (bn)	35.43	52.86
Median Market Cap (bn)	21.44	8.04
Trailing P/E	19.16	18.46
Price-to-Cash Flow	12.58	13.16
Price-to-Book Value	2.37	2.65
3-Year EPS Growth Rate	9.73	3.54
5-Year EPS Growth Rate	17.37	5.10
Active Share	95.82	n/a

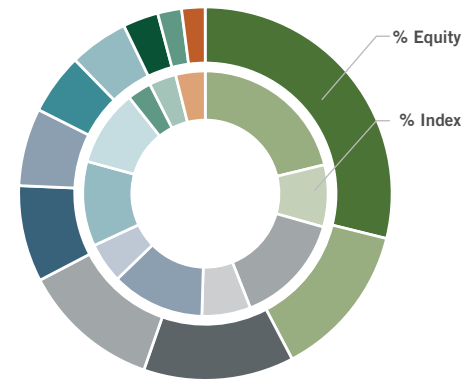
RISK STATISTICS (3 YEAR)	Fund	Index
R <sup>2</sup>	0.83	1.00
Beta	0.80	1.00
Standard Deviation	10.39	11.83
Alpha	-2.21	n/a
Sharpe Ratio	0.35	0.63

TOP TEN HOLDINGS	% Fund
Nidec Corporation	3.78
DBS Group Holdings Ltd	3.70
Ashtead Group plc	3.47
Glencore plc	3.45
Anhui Conch Cement Company Limited Class H	3.45
Statoil ASA	3.28
UBS Group AG	3.17
Hitachi, Ltd.	3.16
Airbus SE	3.15
ING Groep NV	3.14

TOP TEN COUNTRIES	% Invested Assets	% Index
Japan	19.85	24.02
United Kingdom	10.81	17.74
China	9.44	0.03
France	9.38	10.67
Singapore	7.00	1.33
Switzerland	6.96	8.03
Netherlands	6.61	3.56
Germany	6.11	9.82
Norway	5.80	0.66
Hong Kong	2.99	3.54

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



	% Equity	% Index
Financials	28.86	21.21
Materials	13.45	8.19
Industrials	13.03	14.63
Information Technology	11.99	6.44
Consumer Discretionary	8.35	12.28
Energy	6.74	5.32
Consumer Staples	5.28	11.18
Health Care	5.10	10.10
Utilities	3.08	3.18
Real Estate	2.07	3.57
Telecommunication Services	2.04	3.90

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. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

**3- and 5-Year EPS Growth Rates:** Average of earnings per share growth for latest 3- and 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. **Market Capitalization (Wtd. Avg.):** The total dollar market value of all of a company's outstanding shares. **Price-to-Book Ratio (P/B):** A ratio used to compare a stock's market value to its book value. **Price-to-Cash Flow Ratio:** Per-share stock price divided by the per-share operating cash flow. **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. **Trailing P/E:** Per share stock price divided by the latest 12-months earnings per share.

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 effects of sales charges and loads.

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Fund classification categories developed by Lipper, a Thomson Reuters Company.

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