

INVESTMENT OVERVIEW

The Fund seeks current income exempt from federal and state income taxes for Georgia residents by investing in investment grade municipal securities consistent with capital preservation. A dynamic, multifaceted investment process balances emphasis across four facets: duration management, yield curve positioning, sector rotation, and security selection.

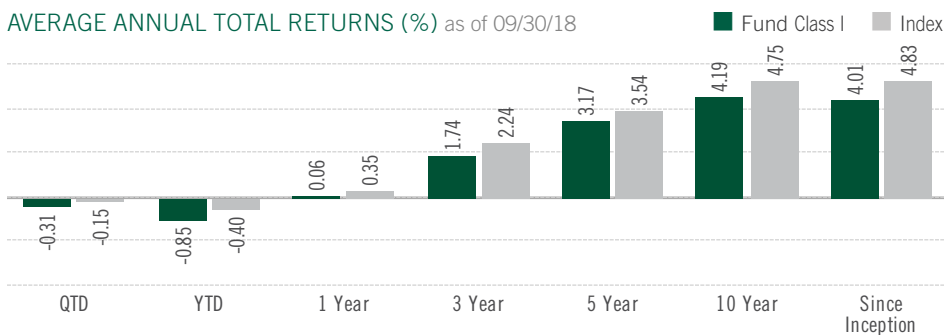
KEY FEATURES

Tax-Exempt Income — Strives to generate income free from federal and Georgia state income taxes

Attractive Total Return Potential — Market inefficiencies may create buying and selling opportunities that facilitate meaningful return potential

Extensive Fundamental Research — Bottom-up security selection evaluates factors such as fundamental credit analysis, security structural features, and potential price volatility

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/18



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.

Benchmark life performance is reported from 01/31/94.

The fund class gross expense ratio is 0.86%. The net expense ratio is 0.66%, which reflects a contractual expense reimbursement in effect through 7/31/2019. This ratio reflects the direct and indirect expenses paid by the Fund.

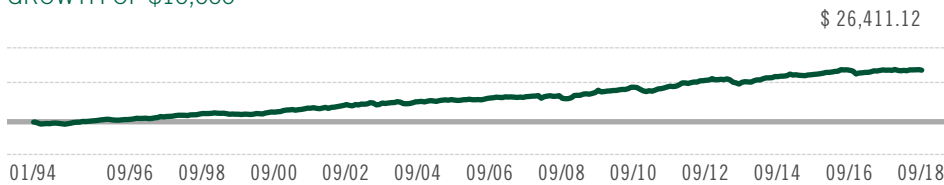
The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.65%.

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 (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund	4.43	0.23	3.09	9.04	-3.05	7.27	9.51	0.35	11.92	-2.90
Index	5.45	0.25	3.30	9.05	-2.55	6.78	10.70	2.38	12.91	-2.47

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 1/18/1994. As of 9/28/2018 the fund value would have been \$26,411.12. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	SGTEX	92837F656
I Shares	SGATX	92837F649
Inception Date	01/18/94	
AUM (\$ millions)	79.0	
Number of Holdings	45	
Dividends	Daily	
Morningstar Category	Muni Single State Intern	
Lipper Category	Other States Municipal Debt Funds	
Index	Bloomberg Barclays Municipal Bond Index	

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★	138
3 Year	★★★★	138
5 Year	★★★★	137
10 Year	★★★★	115

Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Fund Advisers, LLC

INVESTMENT SUBADVISER



Seix Investment Advisors is an investment management boutique focused exclusively on managing fixed income securities since 1992. Seix seeks to generate competitive absolute and relative risk-adjusted returns over the full market cycle through a bottom-up focused, top-down aware process. Seix employs multi-dimensional approaches based on strict portfolio construction methodology, sell disciplines and trading strategies with prudent risk management as a cornerstone.

PORTFOLIO MANAGERS

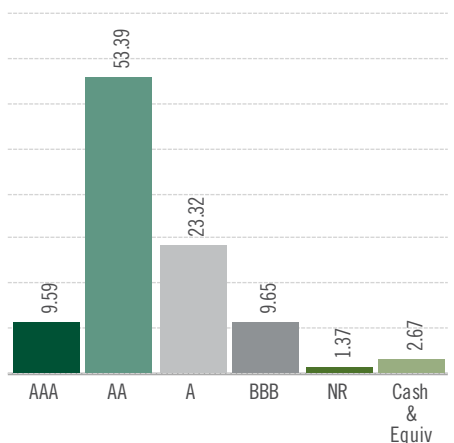
Dusty Self

Industry start date: 1992
Start date with Fund: 2018

Ronald H. Schwartz CFA

Industry start date: 1982
Start date with Fund: 2018

RATINGS DISTRIBUTION



CHARACTERISTICS

Characteristic	Fund
Effective Duration	6.19
Modified Duration to Worst	4.88
Weighted Average Maturity	5.75
SEC Yield ¹	2.27

¹ SEC Yield (Class I share only) represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. Performance figures represent a partial waiver/reimbursement of fees where applicable. Without the partial waiver/reimbursement of fees, performance figures would be lower and the SEC Yield would have been: 2.15%.

TOP TEN HOLDINGS

Holder	% Fund
City of Atlanta GA Water & Wastewater Revenue, 5.0000% 11/01/2040	5.60
Private Colleges & Universities Authority, 5.0000% 10/01/2038	5.02
Carroll City-County Hospital Authority, 5.0000% 07/01/2041	4.15
Greene County Development Authority, 5.0000% 11/15/2037	4.08
Main Street Natural Gas Inc, 2.1700% 04/01/2048	3.77
Virginia Small Business Financing Authority, 5.0000% 07/01/2034	3.74
Atlanta Development Authority, 5.2500% 07/01/2040	3.55
Private Colleges & Universities Authority, 5.0000% 04/01/2044	3.37
Gwinnett County Development Authority, 5.0000% 07/01/2030	3.23
City of Atlanta Department of Aviation, 5.0000% 01/01/2042	3.04

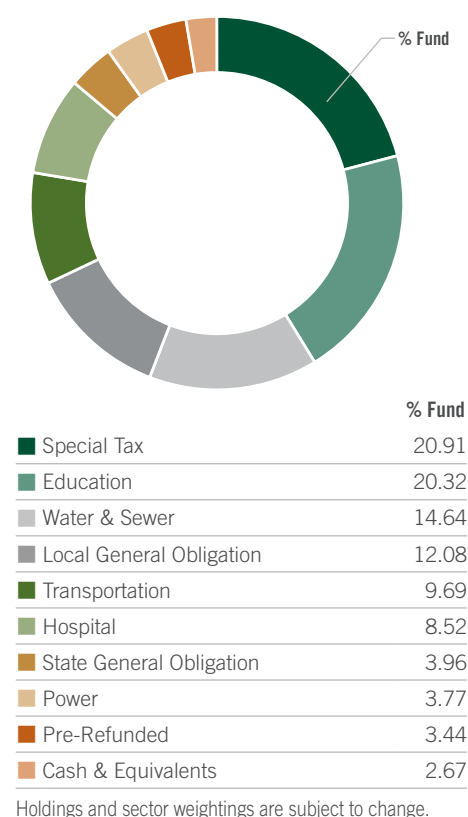
DISTRIBUTIONS

Month	NAV at Month-End
July 2018	\$0.022902 10.34
August 2018	\$0.026009 10.33
September 2018	\$0.019280 10.25

RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	-0.39	n/a
Beta	0.93	1.00
R ²	0.97	1.00
Sharpe Ratio	0.31	0.44
Standard Deviation	3.05	3.24

SECTOR ALLOCATIONS



IMPORTANT RISK CONSIDERATIONS

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **State & AMT Tax:** A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax. **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. **Municipal Market:** Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Effective Duration: The change in the value of a fixed income security that will result from a 1% change in interest rates while taking into account the way changes in rates will affect the expected cash flows of any bond with an embedded option such as call or prepayment option. This measure assigns a probability to the exercise of a call option, where applicable, based on specified shifts in the yield curve. Duration is expressed as a number of years, and generally, the larger the duration, the greater the interest rate risk or reward for a portfolio's underlying bond prices. **Modified Duration to Worst:** A measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, expressed as a number of years (assuming that a callable security pricing to a call date will be called/redeemed by the issuer on that date). **Weighted Average Maturity:** The length of time until the average security in a fund will mature, be redeemed by its issuer, or paid down over time, which is the case with most securitized assets. **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 Bloomberg Barclays Municipal Bond Index is a market capitalization-weighted index that measures the long-term tax-exempt bond market.

Please carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit Virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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