INVESTMENT OVERVIEW
The Fund seeks current income and total return by investing primarily in high yield corporate bonds and other U.S. dollar denominated debt instruments of U.S. and non-U.S. issuers, with up to 100% of invested assets rated below investment grade. A sound, transparent, and repeatable process leverages competitive advantages and aims to capture upside potential while limiting downside risk.

KEY FEATURES
- **Full Market High Yield** — Provides exposure to full high yield universe, including below investment grade and unrated debt securities
- **Diversification** — High yield bonds may offer minimal correlation to investment grade fixed income sectors and only modest correlation to equities
- **Risk Management** — Strict focus on bottom-up credit research, controls around portfolio construction, sell discipline, and trading strategy in an effort to mitigate downside exposure

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/19

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 for performance data current to the most recent month-end.

The fund class gross expense ratio is 0.88%. The net expense ratio is 0.68%, which reflects a contractual expense reimbursement in effect through 4/30/2020.

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.

ANNUAL PERFORMANCE (%)

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<tbody>
<tr>
<td>Fund</td>
<td>-3.20</td>
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<td>17.45</td>
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<td>17.13</td>
<td>-4.47</td>
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<td>7.44</td>
<td>15.81</td>
<td>4.98</td>
<td>15.12</td>
<td>58.21</td>
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GROWTH OF $10,000

This chart assumes an initial investment of $10,000 made on 10/3/2001. As of 9/30/2019 the fund value would have been $37,352.86. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.
Q3 19 Virtus Seix High Income Fund Class I

as of 09/30/19

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 fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. High Yield-High Risk Fixed Income Securities: There is a greater level of credit risk and price volatility involved with high yield debt securities than investment grade securities. Foreign Investing: Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. Prospects: 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. 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 adjusted measure of an investment's excess return relative to a formula set by the SEC, and is subject to change. 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: Bloomberg Barclays U.S. Corporate High Yield Bond Index measures fixed rate non-investment grade debt securities of U.S. corporations, calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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. Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value. Distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

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Class I