INVESTMENT OVERVIEW

The Fund seeks attractive long-term returns by providing U.S. real estate securities exposure, emphasizing companies with revenues driven by recurring rental income. The highly experienced portfolio team applies a disciplined, bottom-up investment process, utilizing both qualitative and quantitative factors, focusing on high-quality commercial real estate owner/operators.

KEY FEATURES

Attractive Income and Growth Potential — Pursues the stable cash flows offered by contractual rental revenues, emphasizing REITs with strong management teams focused on long-term value creation

Broadens Portfolio Diversification — Provides exposure to the lower correlations the U.S. real estate market has historically exhibited to traditional stocks and bonds

Lower Volatility Approach — High-conviction, lower-turnover portfolio of 25-45 securities, strives to benefit from valuations inefficiencies and the historically higher long-term risk-adjusted returns of rental property companies over non-rental companies

ANNUAL PERFORMANCE (%) as of 09/30/20

<table>
<thead>
<tr>
<th>Period</th>
<th>Fund Class I</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>QTD</td>
<td>1.66%</td>
<td>-12.34%</td>
</tr>
<tr>
<td>YTD</td>
<td>12.34%</td>
<td>-17.54%</td>
</tr>
<tr>
<td>1 Year</td>
<td>23.11%</td>
<td>12.80%</td>
</tr>
<tr>
<td>3 Year</td>
<td>4.59%</td>
<td>8.22%</td>
</tr>
<tr>
<td>5 Year</td>
<td>4.35%</td>
<td>7.90%</td>
</tr>
<tr>
<td>10 Year</td>
<td>4.93%</td>
<td>4.30%</td>
</tr>
<tr>
<td>Since Inception</td>
<td>3.38%</td>
<td>3.38%</td>
</tr>
</tbody>
</table>

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%.

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.

FUND INFORMATION

<table>
<thead>
<tr>
<th>Share Class</th>
<th>Ticker</th>
<th>CUSIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Shares</td>
<td>PHRAX</td>
<td>92828R586</td>
</tr>
<tr>
<td>C Shares</td>
<td>PHRCX</td>
<td>92828R560</td>
</tr>
<tr>
<td>I Shares</td>
<td>PHRIX</td>
<td>92828R552</td>
</tr>
<tr>
<td>R6 Shares</td>
<td>VRREX</td>
<td>92828W528</td>
</tr>
</tbody>
</table>

Inception Date: 12/29/06
AUM ($ millions): 532.5
Number of Holdings: 34
Dividends: Quarterly
Morningstar Category: Real Estate
Lipper Category: Real Estate Funds
Index: FTSE Nareit Equity REITs Index

MORNINGSTAR RATINGS

<table>
<thead>
<tr>
<th>Time Period</th>
<th># of Stars</th>
<th># of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>★★★★</td>
<td>224</td>
</tr>
<tr>
<td>3 Year</td>
<td>★★★★</td>
<td>224</td>
</tr>
<tr>
<td>5 Year</td>
<td>★★★★</td>
<td>197</td>
</tr>
<tr>
<td>10 Year</td>
<td>★★★★</td>
<td>141</td>
</tr>
</tbody>
</table>

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

Duff & Phelps Investment Management pursues specialized investment strategies with exceptional depth of resources and expertise. Since its earliest beginnings, providing research and analysis of income producing securities to Depression-era investors, the firm’s attention has been set on identifying attractive opportunities through active management and fundamental research, while managing the associated risks.


PORTFOLIO MANAGERS

Geoffrey P. Dybas, CFA
Industry start date: 1989
Start date as Fund Portfolio Manager: 1998

Frank J. Haggerty, Jr., CFA
Industry start date: 1996
Start date as Fund Portfolio Manager: 2007
December 2019 $0.094366 21.78
NAV at
March 2020 $0.106555 16.65
Month Month-End

hampering the ability of the portfolio manager(s) to invest the portfolio’s assets as intended. recessions, or other events could have a significant impact on the portfolio and its investments, including

Market Volatility:
A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Beta:
An adjusted measure of an investment's excess return relative to a benchmark.

Estimated Earnings (Funds From Operations) per share for each stock held by the portfolio.

Earnings Growth Rate est. 2020:
A measure of the percentage of stock holdings in a manager’s portfolio that differ from the benchmark index. Dividend Coverage: Calculated by dividing the company’s earning income by the dividend pay-out rate for each stock held by the portfolio.

Earnings Growth Rate est. 2021

30-day SEC Yield:
A 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

DISTRIBUTIONS

Month NAV at NAV at Month-End
December 2019 $0.094366 21.78
March 2020 $0.106555 16.65
June 2020 $0.103367 18.53
September 2020 $0.077493 18.76

RISK STATISTICS
(3 YEAR)

Fund Index
Alpha 1.73 n/a
Beta 0.89 1.00
R2 0.98 1.00
Sharpe Ratio 0.04 -0.08
Standard Deviation 16.99 18.98

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. Dividend Coverage: Calculated by dividing the company’s earning income by the dividend pay-out rate for each stock held by the portfolio.

Earnings Growth Rate est. 2020: The company’s estimated future earnings for each stock held by the portfolio. FFO Multiple (P/E Ratio) est. 2020: Calculated by dividing the current market price by the estimated earnings (Funds From Operations) per share for each stock held by the portfolio.

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.

Please consider a Fund’s investment objectives, risks, charges, and expenses carefully before investing. For this and other information about any Virtus Fund, contact your financial professional, call 800-243-4361, or visitvirtus.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.