INVESTMENT OVERVIEW
The Fund seeks attractive long-term returns by providing U.S. real estate securities exposure, emphasizing companies with revenues driven by rental income. The highly experienced portfolio team applies a disciplined, bottom-up investment process, focusing on high-quality commercial real estate owner/operators that derive more than 70% of revenue from rents.

KEY FEATURES
Attractive Income and Growth Potential — Pursues the stable cash flows offered by rental contractual 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

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.

Benchmark life performance is reported from 02/28/95.

The fund class gross expense ratio is 1.38%.

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 A shares have a maximum sales charge of 5.75%. A contingent deferred sales charge of 1% may be imposed on certain redemptions within 18 months on purchases on which a finder’s fee has been paid. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge.

ANNUAL PERFORMANCE (%)

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<tr>
<td>Fund</td>
<td>28.01</td>
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<td>14.58</td>
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<td>Index</td>
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<td>27.96</td>
<td>27.96</td>
<td>18.83</td>
<td>19.44</td>
<td>19.35</td>
<td>25.01</td>
<td>24.91</td>
<td>30.86</td>
<td>31.50</td>
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FUND INFORMATION

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. Today, building on a distinguished legacy, Duff & Phelps has earned a reputation as a leader in investing in Global Listed Infrastructure and Global Real Estate Securities. Quality. Reliability. Specialization. Since 1932.

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

GROWTH OF $10,000

This chart assumes an initial investment of $10,000 made on 3/1/1995. As of 9/30/2019 the fund value would have been $131,771.58. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 5.75%.
CHARACTERISTICS | Fund | Index
--- | --- | ---
Avg. Weighted Market Cap (bn) | 17.54 | 19.91
Median Market Cap (bn) | 10.93 | 3.05
Trailing P/E Ex-Negative Earnings | 32.55 | 31.39
Price-to-Cash Flow | 18.65 | 18.64
Price-to-Book Value | 2.68 | 2.81
3-Year EPS Growth Rate | 9.84 | 10.96
5-Year EPS Growth Rate | 19.13 | 16.31
Active Share | 55.04 | n/a
Dividend Coverage | 1.60 | 1.50
Earnings Growth Rate est. 2020 | 5.70 | 5.70
FFO Multiple (P/E Ratio) est. 2020 | 19.60 | 19.40

RISK STATISTICS (3 YEAR) | Fund | Index
--- | --- | ---
Alpha | 0.02 | n/a
Beta | 0.95 | 1.00
R² | 0.98 | 1.00
Sharpe Ratio | 0.45 | 0.46
Standard Deviation | 12.29 | 12.78

TOP TEN HOLDINGS | % Fund
--- | ---
Prologis Inc | 5.60
HCP Inc | 5.35
AvalonBay Communities Inc | 5.16
Equity Residential | 4.85
Alexandria Real Estate Equities Inc | 4.69
Digital Realty Trust Inc | 4.28
Sun Communities Inc | 4.13
Amercold Realty Trust | 3.85
Duke Realty Corp | 3.65
Healthcare Trust of America Inc | 3.53

INDEX DEFINITION
Index: The FTSE Nareit Equity REITs Index is a free-float market capitalization-weighted index measuring equity tax-qualified real estate investment trusts, which meet minimum size and liquidity criteria, that are listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market System. The index is calculated on a total return basis with 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.

Please 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. No deposit. May lose value.