

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.

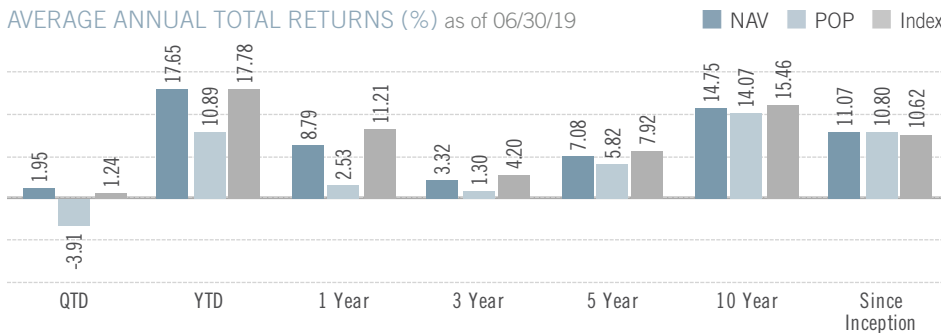
KEY FEATURES

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 06/30/19



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.

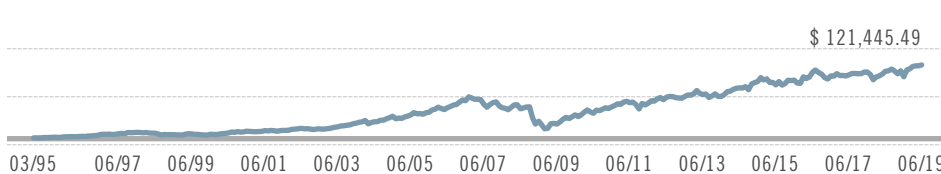
The fund class gross expense ratio is 1.38%.

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 (%)

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------|-------|------|------|------|-------|------|-------|------|-------|-------|
| Fund | -6.77 | 5.84 | 6.66 | 2.14 | 31.34 | 0.18 | 16.51 | 9.63 | 27.54 | 28.01 |
| Index | -4.62 | 5.23 | 8.52 | 3.20 | 30.14 | 2.47 | 18.06 | 8.29 | 27.96 | 27.99 |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 3/1/1995. As of 6/28/2019 the fund value would have been \$121,445.49. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 5.75%.

FUND INFORMATION

| | Ticker | CUSIP |
|-----------|--------|-----------|
| A Shares | PHRAX | 92828R586 |
| C Shares | PHRCX | 92828R560 |
| I Shares | PHRIX | 92828R552 |
| R6 Shares | VRREX | 92828W528 |

| | |
|----------------------|--------------------------------|
| Inception Date | 03/01/95 |
| AUM (\$ millions) | 582.4 |
| Number of Holdings | 35 |
| Dividends | Quarterly |
| Morningstar Category | Real Estate |
| Lipper Category | Real Estate Funds |
| Index | FTSE Nareit Equity REITs Index |

MORNINGSTAR RATINGS

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| Overall | ★★★ | 226 |
| 3 Year | ★★ | 226 |
| 5 Year | ★★★ | 198 |
| 10 Year | ★★★ | 139 |

Strong ratings are not indicative of positive fund performance.

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

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

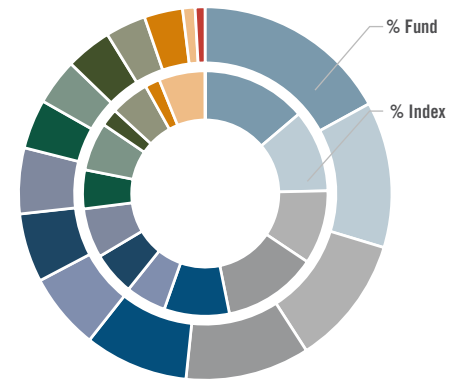
Frank J. Haggerty, Jr., CFA
Industry start date: 1996
Start date as Fund Portfolio Manager: 2007

| CHARACTERISTICS | Fund | Index |
|------------------------------------|-------|-------|
| Avg. Weighted Market Cap (bn) | 16.24 | 18.41 |
| Median Market Cap (bn) | 10.99 | 2.61 |
| Trailing P/E Ex-Negative Earnings | 30.42 | 31.21 |
| Price-to-Cash Flow | 16.55 | 17.20 |
| Price-to-Book Value | 2.51 | 2.58 |
| 3-Year EPS Growth Rate | 8.41 | 7.13 |
| 5-Year EPS Growth Rate | 15.38 | 15.34 |
| Active Share | 54.01 | n/a |
| Dividend Coverage | 1.60 | 1.50 |
| Earnings Growth Rate est. 2019 | 3.60 | 3.20 |
| FFO Multiple (P/E Ratio) est. 2019 | 18.90 | 19.10 |

| TOP TEN HOLDINGS | % Fund |
|-------------------------------------|--------|
| Prologis Inc | 5.50 |
| AvalonBay Communities Inc | 5.31 |
| HCP Inc | 5.14 |
| Alexandria Real Estate Equities Inc | 4.63 |
| Equity Residential | 4.12 |
| Digital Realty Trust Inc | 4.01 |
| Sun Communities Inc | 4.00 |
| Duke Realty Corp | 3.69 |
| Regency Centers Corp | 3.64 |
| VICI Properties Inc | 3.50 |

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



| RISK STATISTICS (3 YEAR) | Fund | Index |
|--------------------------|-------|-------|
| Alpha | -0.71 | n/a |
| Beta | 0.94 | 1.00 |
| R ² | 0.98 | 1.00 |
| Sharpe Ratio | 0.16 | 0.22 |
| Standard Deviation | 12.40 | 13.06 |

| | % Fund | % Index |
|----------------------------------|--------|---------|
| Residential: Apartments | 17.03 | 13.79 |
| Industrial | 12.64 | 10.87 |
| Office | 11.22 | 9.73 |
| Health Care | 10.77 | 12.45 |
| Data Centers | 8.99 | 8.60 |
| Lodging/Resorts | 6.63 | 5.34 |
| Retail: Shopping Centers | 5.96 | 5.69 |
| Self Storage | 5.71 | 6.53 |
| Retail: Free Standing | 4.28 | 5.11 |
| Retail: Regional Malls | 4.00 | 6.39 |
| Residential: Manufactured Homes | 3.99 | 2.33 |
| Specialty | 3.50 | 5.11 |
| Residential: Single Family Homes | 3.33 | 1.95 |
| Diversified | 1.10 | 6.12 |
| Cash & Equivalents | 0.86 | 0.00 |

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. **Real Estate:** The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Prospectus:** For additional information on risks, please see the fund's prospectus.

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. 2019:** The company's estimated future earnings for each stock held by the portfolio. **FFO Multiple (P/E Ratio) est. 2019:** Calculated by dividing the current market price by the estimated earnings (portfolios 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.

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.

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