

INVESTMENT OVERVIEW

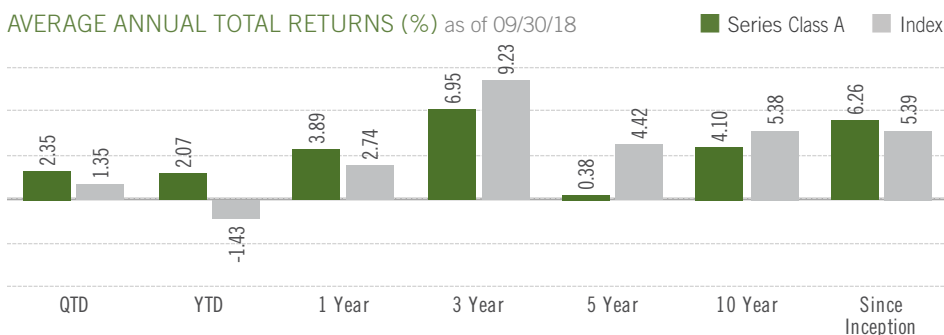
The Series seeks attractive long-term returns by investing in international companies with attractive cash flow and valuation metrics. Coupled with deep fundamental analysis, stocks are selected based on cash flow return on invested capital, which can better capture a company's true economic return by avoiding global accounting differences and creating more accurate comparisons between countries.

KEY FEATURES

**A Focus on Cash Flow Returns** — Bottom-up research emphasizes profitability on invested capital, measuring a company's ability to create value

**Top-Down Trends Help Control Risk** — Macro research helps inform regional, country, and sector allocations, with more weight in periods of structural instability and heightened correlations

**Benchmark-Agnostic** — High conviction portfolio of 30-40 securities searches for opportunity wherever cash flow returns appear mispriced, across market capitalizations with a bias toward quality and value



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](http://Virtus.com) for performance data current to the most recent month-end.

Benchmark life performance is reported from 04/30/90.

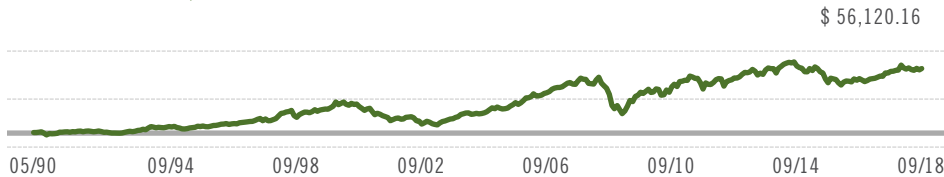
The fund class gross expense ratio is 1.21%. The net expense ratio is 1.18%, which reflects a contractual expense reimbursement in effect through 4/30/2019.

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 (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Series	15.95	-1.61	-10.48	-3.90	7.78	16.52	-4.57	13.47	39.87	-38.98
Index	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-43.38

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 5/1/1990. As of 9/28/2018 the fund value would have been \$56,120.16. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

SERIES INFORMATION

	CUSIP
A Shares	92829L505
I Shares	92829L877

Inception Date	05/01/90
AUM (\$ millions)	172.0
Number of Holdings	33
Dividends	Semi-Annually
Morningstar Category	Foreign Large Blend
Lipper Category	International Large-Cap Growth
Index	MSCI EAFE® Index (net)

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★	655
3 Year	★★	655
5 Year	★	535
10 Year	★★	379

Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Duff & Phelps Investment Management pursues a limited number of specialized investment strategies with exceptional depth of resources and expertise. Since their earliest beginnings, providing research and analysis of income producing securities to Depression-era investors, their attention has been set on identifying attractive opportunities and strategies, while managing the associated risks. Today, building on their distinguished legacy, Duff & Phelps has earned a reputation as a leader in investing in Global Listed Infrastructure, Global Listed Real Estate, MLPs & Energy, and International Equity. Quality. Reliability. Specialization. Since 1932.

PORTFOLIO MANAGER

**Frederick A. Brimberg**  
Industry start date: 1979  
Start date with Series: 2015

CHARACTERISTICS	Series	Index
Avg. Weighted Market Cap (bn)	38.45	50.41
Median Market Cap (bn)	24.78	7.71
Trailing P/E Ex-Negative Earnings	15.63	15.10
Price-to-Cash Flow	10.97	12.39
Price-to-Book Value	2.59	2.56
3-Year EPS Growth Rate	15.67	8.60
5-Year EPS Growth Rate	17.55	7.55
Active Share	93.92	n/a

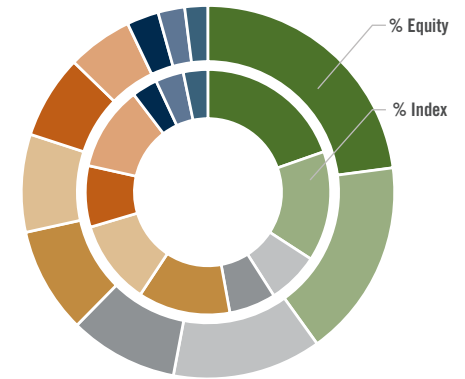
RISK STATISTICS (3 YEAR)	Series	Index
Alpha	-0.67	n/a
Beta	0.82	1.00
R <sup>2</sup>	0.85	1.00
Sharpe Ratio	0.65	0.79
Standard Deviation	9.40	10.62

TOP TEN HOLDINGS	% Series
Anhui Conch Cement Company Limited Class H	4.38
Sony Corporation	4.28
Ashtead Group plc	4.20
Allergan plc	3.73
Golden Ocean Group Ltd	3.45
ASML Holding NV	3.43
Nidec Corporation	3.42
DBS Group Holdings Ltd	3.42
Equinor ASA	3.41
Broadcom Inc.	3.39

TOP TEN COUNTRIES	% Invested Assets	% Index
United Kingdom	15.50	17.50
Japan	14.18	24.56
China	12.04	0.00
France	7.51	11.21
Singapore	6.91	1.27
Netherlands	6.79	3.34
Norway	6.13	0.78
Switzerland	5.64	8.25
Germany	4.74	9.41
Bermuda	3.50	0.00

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



	% Equity	% Index
Financials	22.92	19.66
Industrials	17.15	14.51
Information Technology	12.92	6.81
Energy	9.40	6.16
Consumer Discretionary	9.17	12.16
Health Care	8.47	11.11
Materials	7.24	8.09
Consumer Staples	5.67	11.17
Real Estate	2.77	3.38
Telecommunication Services	2.30	3.71
Utilities	2.00	3.24

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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **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. **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. **R :** 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 MSCI EAFE® Index (net) is a free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada. The index is calculated on a total return basis with net 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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The investments for the Series are managed by the same portfolio manager(s) who manage one or more other funds that have similar names, investment objectives and investment styles as the Series. You should be aware that the Series is likely to differ from the other mutual funds in size, cash flow pattern and tax matters. Accordingly, the holdings and performance of the Series can be expected to vary from those of the other mutual funds.

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