

INVESTMENT OVERVIEW

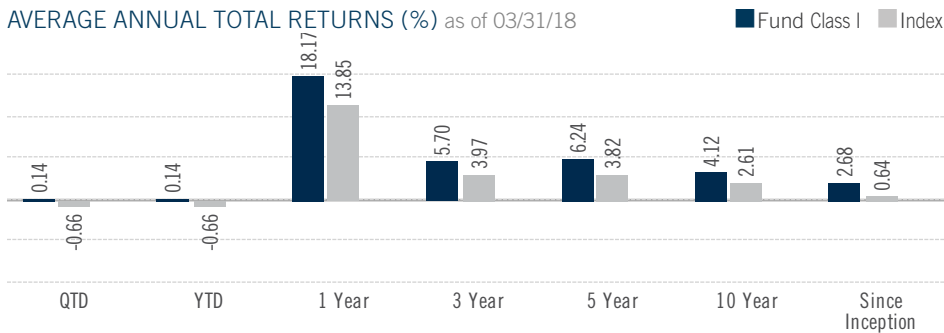
The Fund seeks attractive long-term returns by providing international (non-U.S.) real estate securities exposure, emphasizing companies with revenues driven by rental income. The highly experienced portfolio team applies a disciplined, bottom-up investment process, focusing on high-quality commercial 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 international real estate market has historically exhibited to traditional stocks and bonds

Lower Volatility Approach — High-conviction, lower-turnover portfolio of 45-55 securities, strives to benefit from valuation inefficiencies and the historically higher long-term risk-adjusted returns of rental property companies over non-rental companies



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.

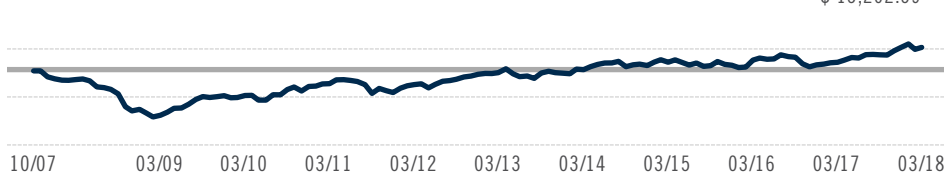
The fund class gross expense ratio is 1.68%. The net expense ratio is 1.25%, which reflects a contractual expense reimbursement in effect through 1/31/2019.

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. Class I shares have no sales charges or distribution or service fees, therefore their returns do not reflect these expenses. Fees and expenses vary, and other share classes are subject to sales charges and fees. Class I shares are offered primarily to eligible institutional investors who purchase the minimum amounts required as described in the prospectus and may not be available to all investors. For fund performance on other share classes, please visit www.virtus.com.

ANNUAL PERFORMANCE (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund	21.84	0.51	0.35	10.76	1.57	35.25	-10.47	18.96	39.22	-46.68
Index	20.03	1.30	-3.76	2.84	5.79	38.01	-15.64	15.63	43.97	-52.16

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/1/2007. As of 3/29/2018 the fund value would have been \$13,202.59. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Effective May 8, 2017 this fund changed its name from the Virtus International Real Estate Securities Fund.

FUND INFORMATION

	Ticker	CUSIP
A Shares	PXRAX	92828R750
C Shares	PXRCX	92828R743
I Shares	PXRIX	92828R735

Inception Date	10/01/07
AUM (\$ millions)	26.5
Number of Holdings	40
Dividends	Semi-Annually
Morningstar Category	Global Real Estate
Lipper Category	International Real Estate Funds
Index	FTSE EPRA/NAREIT Developed Index (net)

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★★	199
3 Year	★★★★★	199
5 Year	★★★★★	153
10 Year	★★★★★	99

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 MANAGERS

Frank J. Haggerty, Jr., CFA

Industry start date: 1996

Start date with Fund: 2007

Geoffrey P. Dybas, CFA

Industry start date: 1989

Start date with Fund: 2007

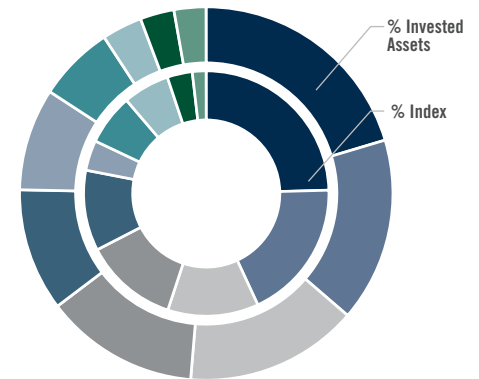
CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	7.05	9.10
Median Market Cap (bn)	2.92	1.86
Trailing P/E	10.47	11.27
Price-to-Cash Flow	15.31	13.82
Price-to-Book Value	1.16	1.10
3-Year EPS Growth Rate	22.29	14.88
5-Year EPS Growth Rate	22.45	14.19
Active Share	70.37	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	1.88	n/a
Beta	0.94	1.00
R ²	0.92	1.00
Sharpe Ratio	0.45	0.29
Standard Deviation	11.61	11.80

TOP TEN HOLDINGS	% Fund
Vonovia SE	5.33
Link Real Estate Investment Trust	4.54
Wharf Real Estate Investment Co. Ltd.	4.14
Swire Properties Limited	3.96
Westfield Corp.	3.67
Unibail-Rodamco SE	3.44
Nippon Building Fund, Inc.	3.09
National Storage REIT	3.03
UNITE Group plc	3.00
Safestore Holdings plc	2.89

Holdings are subject to change.

TOP TEN COUNTRIES



	% Invested Assets	% Index
Japan	18.95	22.30
Hong Kong	14.82	16.81
United Kingdom	13.94	10.87
Australia	12.41	11.20
Germany	9.89	9.64
France	8.23	3.61
Canada	6.14	6.09
Singapore	3.25	5.55
Sweden	2.73	3.01
Spain	2.58	1.65

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. **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. **Real Estate:** The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management. **Foreign Investing:** Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. **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:** 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. **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: The FTSE EPRA/NAREIT Developed ex-US Index (net) is a free-float market capitalization-weighted index measuring publicly traded equity REITs and listed property companies from developed markets excluding the United States, which meet minimum size and liquidity requirements. 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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