

INVESTMENT OVERVIEW

The Fund seeks attractive risk-adjusted total returns by investing in North American energy infrastructure. The highly experienced portfolio team applies a disciplined, bottom-up investment process, focusing on energy Midstream Master Limited Partnerships (MLPs), General Partners (GPs), and C-Corporations that own midstream oil and natural gas assets backed by long-term, fee-based contracts.

KEY FEATURES

Extensive Fundamental Research — Pursues attractive risk-adjusted total returns and growth opportunities across the U.S. energy value chain by analyzing supply/demand trends and individual company management strength

Strong Cash Flows — Long-term contracts and exposure to rising U.S. production and exports drive strong cash flow

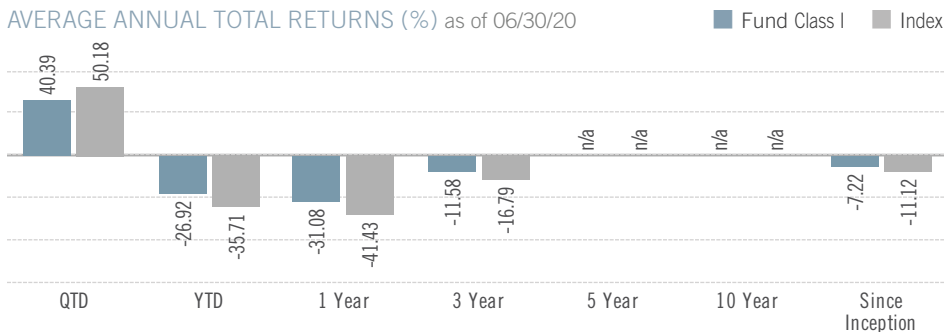
Quality Focus — High-conviction portfolio of 30-40 securities emphasizes geographic footprints in high-quality basins of the U.S.

FUND INFORMATION

| | Ticker | CUSIP |
|----------|--------|-----------|
| A Shares | VLPAX | 92835M729 |
| C Shares | VLPCX | 92835M711 |
| I Shares | VLPIX | 92835M695 |

| | |
|----------------------|----------------------------|
| Inception Date | 09/09/15 |
| AUM (\$ millions) | 5.6 |
| Number of Holdings | 28 |
| Dividends | Semi-Annually |
| Morningstar Category | Energy Limited Partnership |
| Lipper Category | Energy MLP Funds |
| Index | Alerian MLP Index |

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/20



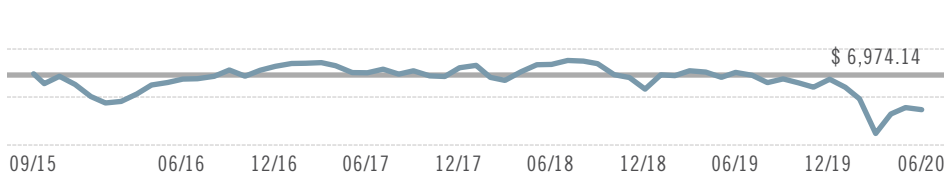
Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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 2.33%. The net expense ratio is 1.18%, which reflects a contractual expense reimbursement in effect through 2/28/2021. This ratio reflects the direct and indirect expenses paid by the Fund. The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.15%. 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 (%)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-------|------|--------|-------|-------|------|------|------|------|------|------|
| Fund | 9.61 | -17.16 | -1.15 | 31.49 | n/a | n/a | n/a | n/a | n/a | n/a |
| Index | 6.56 | -12.42 | -6.52 | 18.31 | n/a | n/a | n/a | n/a | n/a | n/a |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 9/9/2015. As of 6/30/2020 the fund value would have been \$6,974.14. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

MORNINGSTAR RATINGS

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| Overall | ★★★★ | 84 |
| 3 Year | ★★★★ | 84 |
| 5 Year | Not Rated | n/a |
| 10 Year | Not Rated | n/a |

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive future performance.

INVESTMENT ADVISER

Virtus Alternative 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, Global Listed Real Estate, and MLPs & Energy. Quality. Reliability. Specialization. Since 1932.

PORTFOLIO MANAGERS

David D. Grumhaus, Jr.
Industry start date: 1989
Start date as Fund Portfolio Manager: 2015

Rodney C. Clayton, CFA
Industry start date: 2004
Start date as Fund Portfolio Manager: 2020

CHARACTERISTICS

| | Fund |
|--|------|
| 30-day SEC Yield ¹ | 2.15 |
| 30-day SEC Yield (unsubsidized) ² | 0.75 |

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

² 30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.

DISTRIBUTIONS

| Month | | NAV at Month-End |
|--------------|------------|------------------|
| October 2019 | \$0.249364 | 7.99 |
| April 2020 | \$0.121837 | 5.60 |

RISK STATISTICS (3 YEAR)

| | Fund | Index |
|--------------------|-------|-------|
| Alpha | -0.53 | n/a |
| Beta | 0.76 | 1.00 |
| R ² | 0.95 | 1.00 |
| Sharpe Ratio | -0.38 | -0.42 |
| Standard Deviation | 34.57 | 44.51 |

TOP TEN HOLDINGS

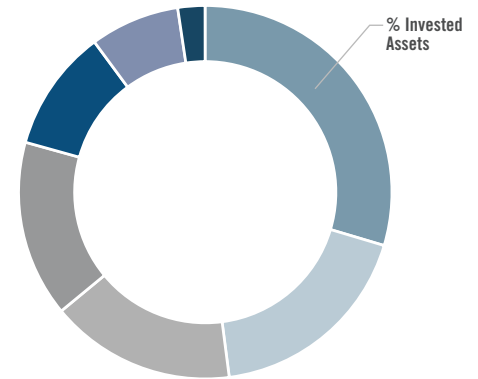
| | % Invested Assets |
|---------------------------------|-------------------|
| Cheniere Energy Inc | 8.76 |
| Enterprise Products Partners LP | 7.26 |
| Targa Resources Corp | 7.23 |
| Williams Cos Inc/The | 6.80 |
| Kinder Morgan Inc | 6.76 |
| Plains GP Holdings LP | 5.47 |
| Magellan Midstream Partners LP | 4.51 |
| TC Energy Corp | 3.76 |
| Rattler Midstream LP | 3.75 |
| Energy Transfer LP | 3.70 |

Holdings and sector weightings are subject to change.

OWNERSHIP STRUCTURE

| | % Fund |
|---------------------------|--------|
| Major Midstream Companies | 34.10 |
| Embedded General Partner | 23.24 |
| Midstream MLP | 21.59 |
| MLP Affiliate & Other | 20.23 |
| Cash | 0.84 |

SECTOR ALLOCATIONS



| | % Invested Assets |
|------------------------------------|-------------------|
| Diversified | 29.62 |
| Gathering/Processing | 18.32 |
| Petroleum Transportation & Storage | 16.08 |
| Downstream/Other | 15.29 |
| Natural Gas Pipelines | 10.57 |
| Electric LDC & Power | 7.76 |
| Marine Shipping | 2.36 |

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. **Energy Sector Concentration:** The fund's investments are concentrated in the energy sector and may present more risks than if the fund were broadly diversified over numerous sectors of the economy. **MLPs:** Investments in Master Limited Partnerships may be adversely impacted by tax law changes, regulation, or factors affecting underlying assets. **Foreign Investing:** Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. **Non-Diversified:** The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets. **Market Volatility:** Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the fund and its investments, including hampering the ability of the fund's portfolio manager(s) to invest the fund's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

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. **Midstream MLPs** are publicly traded limited partnerships and limited liability companies that are treated as partnerships for federal income tax purposes and operate and own assets used in transporting, storing, gathering, processing, treating, or marketing of natural gas, natural gas liquids, crude oil, and refined products. **Foreign LPs** are offshore entities organized as partnerships or limited liability companies but elect to be treated as corporations for U.S. federal income tax purposes. **MLP Affiliates & Other** consist of LLCs, Yieldcos and Limited Partnerships structured as corporations for tax purposes. LLCs are limited liability companies which hold investments in limited partner interests and may issue distributions in the form of additional shares, also known as paid-in-kind (PIK) distributions. Yieldcos are entities structured similar to an MLP but without possession of assets that would qualify for pass-through tax treatment and thus are not treated as partnerships for federal income tax purposes. Other also includes c-corporations that hold significant midstream or downstream assets. **Pure-Play GPs** are general partners of MLPs structured as C-corporations for federal income tax purposes with either direct economic incentive distribution rights to an underlying MLP or direct ownership in an affiliated general partner entity. **Embedded GPs** are general partners of MLPs structured as C-corporations for federal income tax purposes with ownership in other assets beyond sole economic interests in an MLP. **Major Midstream** are entities that own and operate assets used in transporting, storing, gathering, processing, treating, or marketing of natural gas, natural gas liquids, crude oil, and refined products and structured as C-corporations for federal income tax purposes.

INDEX DEFINITION

Index: The Alerian MLP Index is a composite of the 40 most prominent energy master limited partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index is calculated using a float-adjusted, capitalization-weighted methodology, 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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