

INVESTMENT OVERVIEW

The Fund seeks a return of 5% annually above the Fed Funds Target Rate, on a gross of fees basis, regardless of market conditions, over rolling three-year periods, with a target of less than half the volatility of global equities over the same rolling three-year periods. This flexible, low-correlation, benchmark-agnostic strategy may serve as a compelling complement to a portfolio.

KEY FEATURES

- Balances Risk and Reward** — Firm-wide focus on delivering investment outcomes that balance risk and reward, drawing from expertise across global markets
- High-Conviction Portfolio** — Ideas-driven, unconstrained approach that brings together Aviva's full investment capabilities across a broad range of disciplines
- Multidimensional Approach** — Portfolio construction and risk management are equally as important as idea generation

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/18



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 07/31/15.

The fund class gross expense ratio is 1.93%. The net expense ratio is 1.51%, which reflects a contractual expense reimbursement in effect through 2/28/2019. This ratio reflects the direct and indirect expenses paid by the Fund.

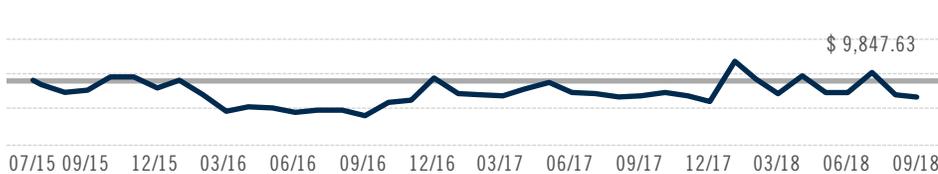
The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.44%.

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](http://www.virtus.com).

ANNUAL PERFORMANCE (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Fund	-2.13	0.91	n/a							
Index	0.69	0.27	n/a							

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 7/20/2015. As of 9/28/2018 the fund value would have been \$9,847.63. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	VMSAX	92835M794
C Shares	VCMSX	92835M786
I Shares	VMSIX	92835M778
R6 Shares	VMSRX	92835M687

Inception Date	07/20/15
AUM (\$ millions)	82.7
Number of Holdings	379
Dividends	Semi-Annually
Morningstar Category	Multialternative
Lipper Category	Absolute Return Funds
Index	U.S. Treasury Federal Funds Rate

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★	299
3 Year	★★	299
5 Year	Not Rated	n/a
10 Year	Not Rated	n/a

Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Alternative Investment Advisers, Inc.

INVESTMENT SUBADVISER

Strong ratings are not indicative of positive fund performance.



Aviva Investors Americas LLC (AIA) is the named subadviser to the Virtus Multi-Strategy Target Return Fund and utilizes the services of Aviva Investors Global Services Limited (AIGSL) and its other affiliates (collectively, Aviva Investors) to manage the Fund. These affiliates are Participating Affiliates as that term is used in relief granted by the SEC. The listed investment professionals are associated with AIGSL.

CHAIR OF THE STRATEGIC INVESTMENT GROUP

**Euan Munro, FIA**  
Industry start date: 1992  
Start date with Fund: 2015

PORTFOLIO MANAGERS

**Peter Fitzgerald, CFA**  
Industry start date: 1995  
Start date with Fund: 2015

**James McAlevey, CFA**  
Industry start date: 2000  
Start date with Fund: 2018

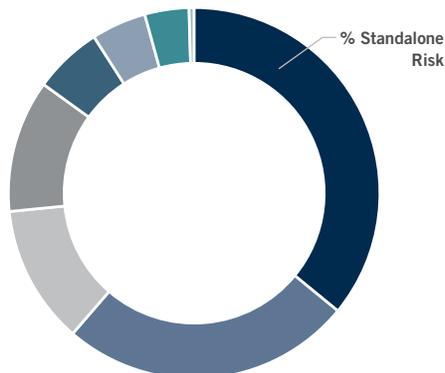
**Mark Robertson**  
Industry start date: 2000  
Start date with Fund: 2018

**TOP TEN STRATEGIES BY RISK**

	<b>% Ann. Position Vol.</b>
Duration - Long Brazilian rates	1.47
Equities - Long global financials	1.29
Duration - Short US rates	1.24
Duration - Short UK long-end rates	1.14
Equities - Long global equities	0.91
Inflation - Short UK inflation	0.90
Property - Long Japanese REITs	0.89
Currency - Short Asian currencies	0.84
Inflation - Long US inflation	0.60
Duration - US long-end yield curve steepener	0.59

Source: Aviva Investors. Top Ten Strategies by Risk, as measured by Annualized Position Volatility, and Portfolio Risk Breakdown are subject to change.

**PORTFOLIO RISK BREAKDOWN BY RISK FACTOR**



	<b>% Standalone Risk</b>
Duration	35.93
Equities	25.42
Inflation	12.08
Currency	11.54
Property	5.96
Credit	4.79
Volatility	3.84
Cash	0.44

**PORTFOLIO CHARACTERISTIC**

Portfolio Characteristic	Fund
Annualized Standard Deviation	4.65

**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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Credit & Interest:** Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded. **Counterparties:** There is risk that a party upon whom the fund relies to complete a transaction will default. **Portfolio Turnover:** The fund's principal investment strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account. **Prospectus:** For additional information on risks, please see the fund's prospectus.

**GLOSSARY**

**Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk. The portfolio managers utilize derivatives to implement the majority of the fund's investment strategies. Considering each investment strategy's contribution to overall risk may present a clearer picture of how the fund is positioned relative to each investment's market value. Risk is defined as volatility, as calculated by RiskMetrics, and is a one month annualized standard deviation, which measures dispersion of returns. It may not be indicative of future risk, and is not a predictor of returns.

**INDEX DEFINITION**

Index: The Federal Funds Rate is the interest rate paid on overnight loans made between depository institutions. This index is the weighted average of rates on brokered trades and represents the arithmetic mean of all daily rates for a given month. 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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