

INVESTMENT OVERVIEW

The Fund seeks long-term capital appreciation through investments in low correlating asset classes in order to help reduce volatility and increase return potential. An institutional-quality fund-of-funds approach offers instant diversification across a wide range of alternative asset classes.

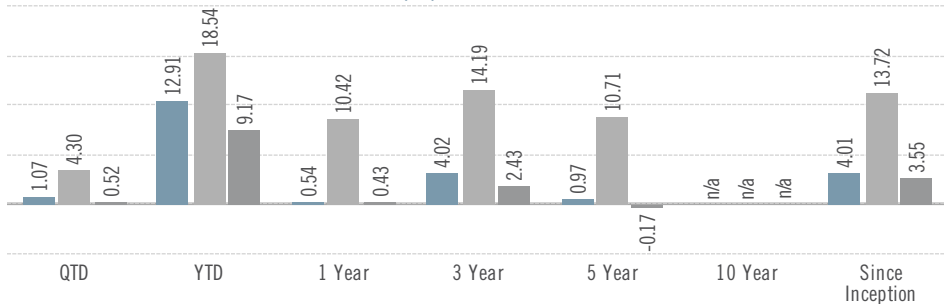
KEY FEATURES

Broad Alternatives Exposure — Invests in a diversified portfolio of alternative asset classes including managed futures, global real estate, global infrastructure, commodities, natural resources, currencies, and floating rate securities

Expands Portfolio Diversification — Emphasizes assets with low correlations to traditional stocks and bonds

Optimized Allocations — Underlying asset class exposures are dynamically managed for changing economic and investment conditions

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/19



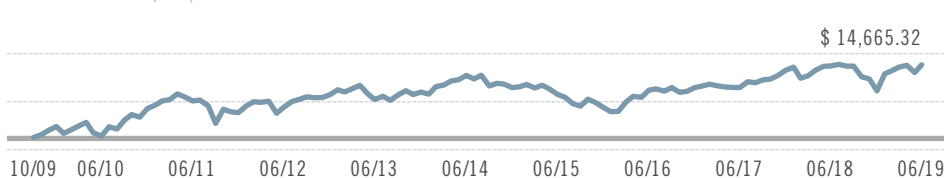
Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

The fund class gross expense ratio is 1.24% and reflects the direct and indirect expenses paid by the Fund. The gross expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.45%. 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 (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund	-9.16	8.38	10.62	-9.61	2.22	1.30	9.99	-2.29	10.84	n/a
Index 1	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	n/a
Index 2	-5.96	3.73	10.04	-10.00	1.72	4.39	6.96	0.15	11.85	n/a

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/1/2009. As of 6/28/2019 the fund value would have been \$14,665.32. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	PDPAX	92828R875
C Shares	PDPCX	92828R867
I Shares	VADIX	92828R313

Inception Date	10/01/09
AUM (\$ millions)	40.4
Number of Holdings	10
Dividends	Semi-Annually
Morningstar Category	Multialternative
Lipper Category	Alternative Global Macro Funds
Index 1	S&P 500® Index
Index 2	Alternatives Diversifier Composite

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★	265
3 Year	★★★	265
5 Year	★★	177
10 Year	Not Rated	n/a

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



Rampart Investment Management, an investment management affiliate of Virtus Investment Partners, is one of the leading asset managers specializing in option strategies. A registered investment adviser since 1983, Rampart manages client positions and portfolios using domestic and international index and equity options.

PORTFOLIO MANAGER

Warun Kumar

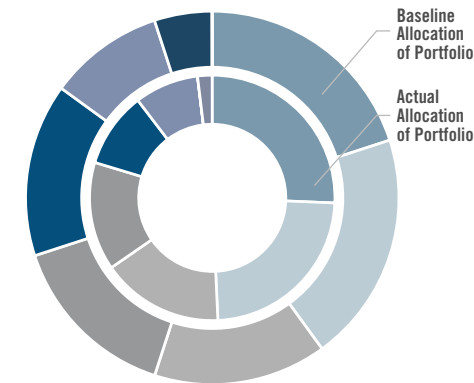
Industry start date: 1993

Start date as Fund Portfolio Manager: 2016

RISK STATISTICS
(3 YEAR)

	Fund	Index
Alpha	-4.41	n/a
Beta	0.58	1.00
R ²	0.66	1.00
Sharpe Ratio	0.31	1.07
Standard Deviation	8.60	12.02

ASSET CLASS



	Baseline Allocation of Portfolio	Actual Allocation of Portfolio
Global Real Estate	20.00	25.66
Natural Resources	20.00	23.62
Global Infrastructure	15.00	16.10
Commodities	15.00	14.29
Currencies	15.00	9.96
Floating Rate Securities	10.00	8.45
Managed Futures	5.00	0.00
Cash and Cash Equivalents	0.00	1.92

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. **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. **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. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Allocation:** The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets. **Foreign Investing:** Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. **Real Estate:** The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management. **Fund of Funds:** Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s). **Affiliated Funds:** The fund's adviser can select affiliated and/or unaffiliated funds, which may create a conflict of interest. **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.

INDEX DEFINITION

Index 1: The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. 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.

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Index 2: The Alternatives Diversifier Composite consists of Diversified Trends Index (15%)*, FTSE EPRA NAREIT Developed Rental Index-net (20%)**, MSCI World Infrastructure Sector Capped Index (15%)*, S&P North American Natural Resources Sector Index (10%), Deutsche Bank Liquid Commodity Index (15%), Deutsche Bank G10 Currency Harvest Index (15%)* and Credit Suisse Leveraged Loan Index (10%). The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment. *Prior to 3/1/12 was the HFRX Equity Market Neutral Index (20%). **Prior to 6/1/15 was the UBS Global Investors Index (20%). ***Prior to 9/1/08 was a mix of the MSCI US Utilities Index (65%), MSCI World Telecom Services Index (20%) and MSCI World ex US Utilities Index (15%). ****Prior to 3/1/12 was Deutsche Bank G10 Currency Harvest Index (10%).

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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