

INVESTMENT OVERVIEW

The Fund offers exposure to U.S. equities with an investment objective of long-term capital appreciation. A disciplined, model-driven approach to sub-industry valuation aims to deliver attractive returns with lower volatility, beta, and correlation than the S&P 500® Index over full market cycles.

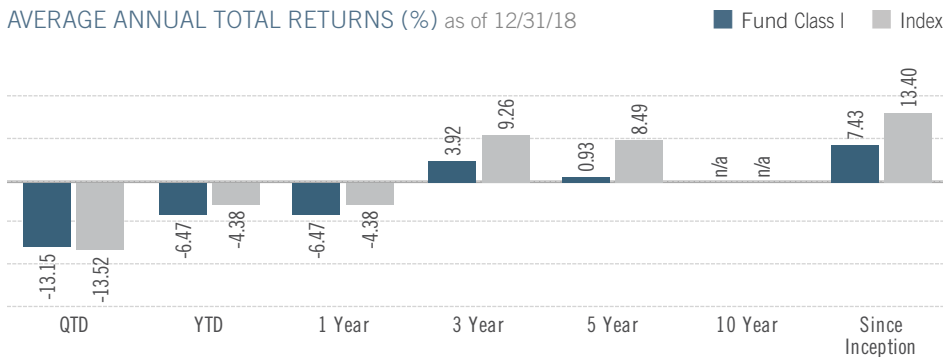
KEY FEATURES

Risk-Managed Portfolio — Systematically seeks to participate in rising equity markets while preserving capital during market declines

Prioritizes Stock Momentum — Ranks the S&P 500's 130 sub-industry groups according to relative price momentum, focusing on the top half

Active Market Trend Positioning — Equal sub-industry weightings in lower risk markets to those positive trending sub-industries broaden return potential; an increased allocation to cash equivalents, up to 100% of the portfolio in higher risk markets, may reduce downside exposure

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/18



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 for performance data current to the most recent month-end.

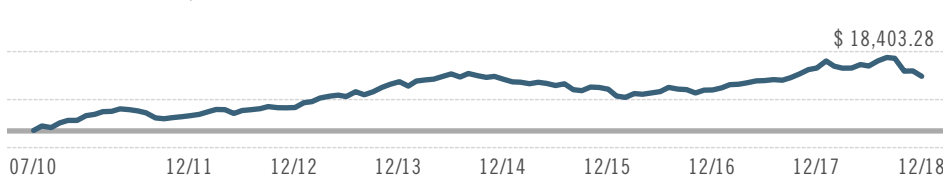
The fund class gross expense ratio is 1.31%.

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	-6.47	20.86	-0.73	-8.51	2.03	29.58	10.31	-0.02	n/a	n/a
Index	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11	n/a	n/a

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 7/1/2010. As of 12/31/2018 the fund value would have been \$18,403.28. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	VAPAX	92828R255
C Shares	VAPCX	92828R248
I Shares	VAPIX	92828R230
R6 Shares	VRPAX	92828W536

Inception Date	07/01/10
AUM (\$ millions)	358.5
Number of Holdings	18
Dividends	Semi-Annually
Morningstar Category	Large Blend
Lipper Category	Multi-Cap Core Funds
Index	S&P 500® Index

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★	1,208
3 Year	★	1,208
5 Year	★	1,071
10 Year	Not Rated	n/a

Strong ratings are not indicative of positive fund performance.

RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	-4.11	n/a
Beta	0.89	1.00
R ²	0.83	1.00
Sharpe Ratio	0.28	0.77
Standard Deviation	10.50	10.80

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



TECHNICAL ANALYSIS



PORTFOLIO MANAGERS

Warun Kumar

Industry start date: 1993
Start date with Fund: 2015

Michael Davis

Industry start date: 1999
Start date with Fund: 2016

Brendan R. Finneran, CMT

Industry start date: 2003
Start date with Fund: 2016

Robert F. Hofeman, Jr.

Industry start date: 2002
Start date with Fund: 2016

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. **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. **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.

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Index: 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.

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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