

**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 sector valuation aims to deliver attractive returns with lower volatility, beta, and correlation than the S&P 500® Index over full market cycles.

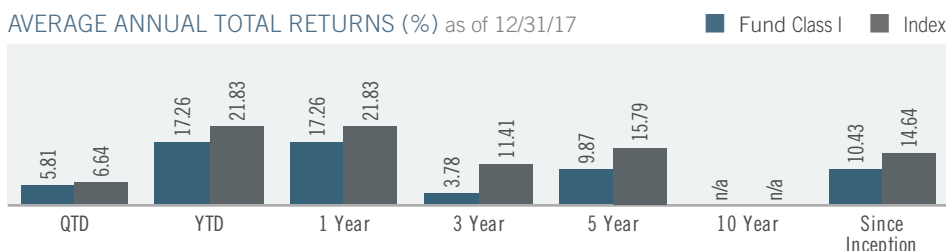
**KEY FEATURES**

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

**Prioritizes Sectors with the Strongest Momentum** – Invests only in S&P 500® sectors exhibiting positive price momentum

**Defensive Positioning** – Rules-based portfolio construction reallocates capital from negative performing sectors to positive performing sectors and/or cash equivalents, up to 100% of the portfolio

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/17

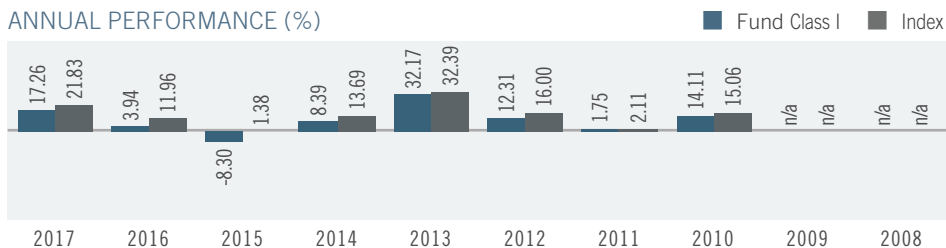


Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original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

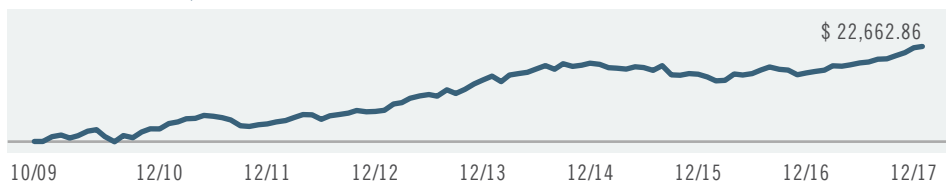
The fund class gross expense ratio is 0.75%.

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 (%)



GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/1/2009. As of 12/29/2017 the fund value would have been \$22,662.86. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

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.

**FUND INFORMATION**

	Ticker	CUSIP
A Shares	PWBAX	92828R487
C Shares	PWBCX	92828R479
I Shares	VARIX	92828R271

Inception Date	10/01/09
AUM (\$ millions)	271.0
Number of Holdings	477
Dividends	Semi-Annually
Morningstar Category	Large Blend
Lipper Category	Large-Cap Core Funds

**MORNINGSTAR RATINGS**

Time Period	# of Stars	# of Funds
Overall	★	1,217
3 Year	★	1,217
5 Year	★	1,079
10 Year	Not Rated	n/a

Strong ratings are not indicative of positive fund performance.

**RISK STATISTICS**

(3 YEAR)	Fund	Index
R <sup>2</sup>	0.59	1.00
Beta	0.55	1.00
Standard Deviation	7.10	9.92
Alpha	-2.44	n/a
Sharpe Ratio	0.48	1.11

**INVESTMENT ADVISER**

Virtus Investment Advisers, Inc.

**INVESTMENT SUBADVISER**

Rampart Investment Management Company, LLC.



**TECHNICAL ANALYSIS**

Dorsey, Wright & Associates, LLC



**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. **R<sup>2</sup>:** 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.

There is no relationship between Dorsey Wright and Virtus other than a license by Dorsey Wright to Virtus of certain Dorsey Wright trademarks and trade names, and the Dorsey Wright technical analysis ("Technical Analysis"). The Technical Analysis has been created and developed by Dorsey Wright without regard to and independently of Virtus, its business, its development of this product, and/or any prospective investor. The licensing of any Technical Analysis to Virtus is not an offer to purchase or sell, or a solicitation or an offer to buy any securities. A determination that any portion of an investor's portfolio should be devoted to any product developed by Virtus is a determination made solely by the investment advisor serving the investor or the investor himself, not Dorsey Wright or Virtus.

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 effects of sales charges and loads.

© 2018 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Fund classification categories developed by Lipper, a Thomson Reuters Company.

**Please carefully consider a Fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit [virtus.com](http://virtus.com) for a prospectus or summary prospectus. Read it carefully before investing. Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.**

Distributed by **VP Distributors, LLC**, member FINRA and subsidiary of Virtus Investment Partners, Inc.

1109 01-18 © 2018 Virtus Mutual Funds