

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.

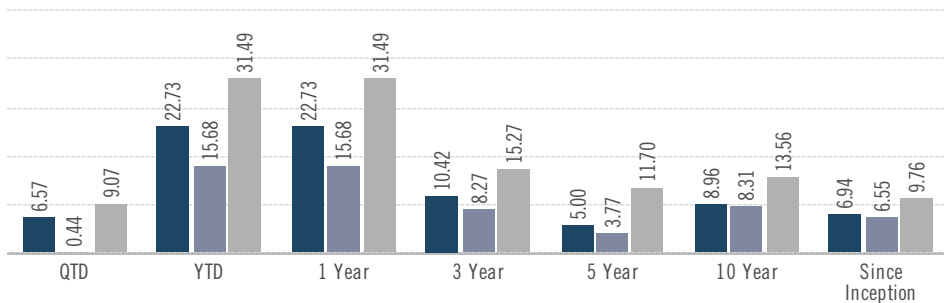
KEY FEATURES

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 12/31/19



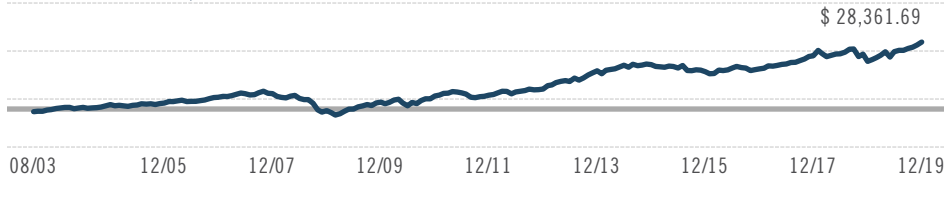
Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end. Class A shares have a maximum sales charge of 5.75%. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid.

The fund class gross expense ratio is 1.01% 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 0.99. 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	22.73	-6.16	16.91	3.75	-8.63	8.15	31.84	12.01	1.58	13.85
Index	31.49	-4.38	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 8/1/2003. As of 12/31/2019 the fund value would have been \$28,361.69. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 5.75%.

FUND INFORMATION

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

Inception Date	08/01/03
AUM (\$ millions)	206.3
Number of Holdings	506
Dividends	Semi-Annually
Morningstar Category	Large Blend
Lipper Category	Large-Cap Core Funds
Index	S&P 500® Index

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★	1,203
3 Year	★★	1,203
5 Year	★	1,058
10 Year	★	808

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

RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	-2.16	n/a
Beta	0.82	1.00
R ²	0.89	1.00
Sharpe Ratio	0.84	1.14
Standard Deviation	10.46	11.93

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



PORTFOLIO MANAGERS

Warun Kumar
Industry start date: 1993
Start date as Fund Portfolio Manager: 2015

Michael Davis
Industry start date: 1999
Start date as Fund Portfolio Manager: 2016

Brendan R. Finneran, CMT
Industry start date: 2003
Start date as Fund Portfolio Manager: 2016

Robert F. Hofeman, Jr.
Industry start date: 2002
Start date as Fund Portfolio Manager: 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.

INDEX DEFINITION

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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