

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.

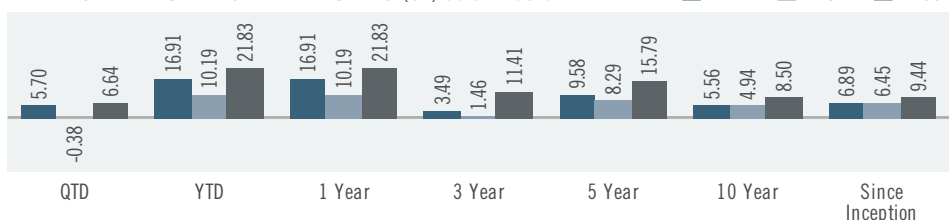
KEY FEATURES

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

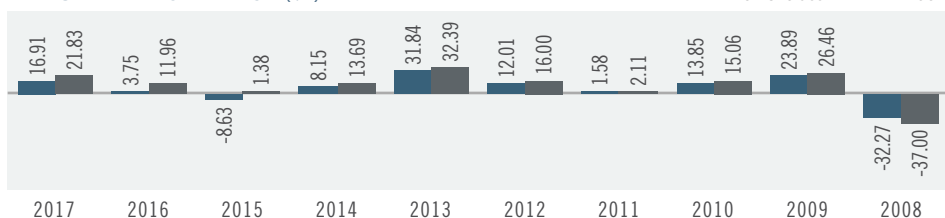


Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original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

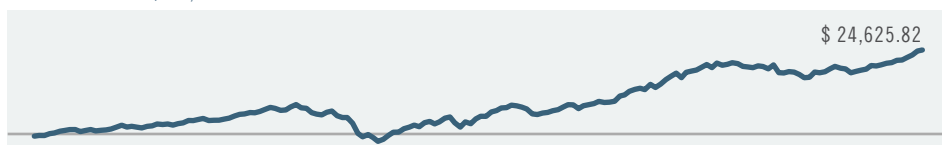
The fund class gross expense ratio is 1.00%.

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 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. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge.

ANNUAL PERFORMANCE (%)



GROWTH OF \$10,000



08/03 12/04 12/05 12/06 12/07 12/08 12/09 12/10 12/11 12/12 12/13 12/14 12/15 12/16 12/17
 This chart assumes an initial investment of \$10,000 made on 8/1/2003. As of 12/29/2017 the fund value would have been \$24,625.82. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 5.75%.

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.

Effective September 26, 2017 this fund changed its name from the Virtus Sector Trend Fund.

FUND INFORMATION

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

Inception Date	08/01/03
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	★★	800

Strong ratings are not indicative of positive fund performance.

RISK STATISTICS (3 YEAR)

	Fund	Index
R ²	0.59	1.00
Beta	0.55	1.00
Standard Deviation	7.10	9.92
Alpha	-2.72	n/a
Sharpe Ratio	0.44	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. **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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Fund classification categories developed by Lipper, a Thomson Reuters Company.

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