

INVESTMENT OVERVIEW

The Fund seeks to generate attractive risk-adjusted long-term returns by investing in the stocks of U.S. small- and mid-cap companies with durable competitive advantages, excellent management, lower financial risk, and strong growth trajectories. A disciplined investment process is employed to identify businesses that are differentiated by above-average returns on capital and trading at attractive valuations.

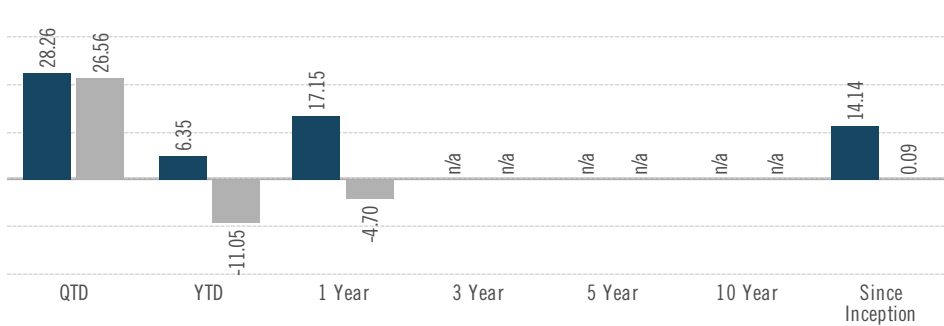
KEY FEATURES

**High-Quality Businesses** — Searches for quality small- and mid-cap core stocks with solid balance sheets, consistent growth, profitability, and market dominant business models

**Lower Volatility Approach** — Extensive fundamental research favors companies with less business risk, as defined by lower earnings variability, consistent and profitable growth, high returns on capital, strong free cash flow, and a low organic need for external financing, all of which can help to protect profits in difficult markets

**High-Conviction Portfolio** — Focused on the portfolio team's 25-35 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value potential

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/20



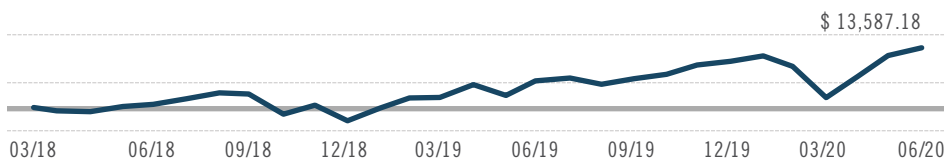
Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit [virtus.com](http://virtus.com) for performance data current to the most recent month end. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See [virtus.com](http://virtus.com) for details.

The fund class gross expense ratio is 2.00%. The net expense ratio is 1.06%, which reflects a contractual expense reimbursement in effect through 1/31/2021. This ratio reflects the direct and indirect expenses paid by the Fund. The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.05%. 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	38.81	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Index	27.77	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 3/7/2018. As of 6/30/2020 the fund value would have been \$13,587.18. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	VKSAX	92828N221
C Shares	VKSCX	92828N213
I Shares	VKSIX	92828N197
R6 Shares	VKSRX	92828N189

Inception Date	03/07/18
AUM (\$ millions)	291.7
Number of Holdings	31
Dividends	Semi-Annually
Morningstar Category	Mid-Cap Growth
Lipper Category	Mid-Cap Growth Funds
Index	Russell 2500™ Index

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Kayne Anderson Rudnick

A VIRTUS INVESTMENT PARTNER

Kayne Anderson Rudnick believes that superior risk-adjusted returns may be achieved through investment in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

PORTFOLIO MANAGERS

**Jon Christensen, CFA**

Industry start date: 1995

Start date as Fund Portfolio Manager: 2018

**Julie Kutasov**

Industry start date: 2001

Start date as Fund Portfolio Manager: 2018

**Craig Stone**

Industry start date: 1989

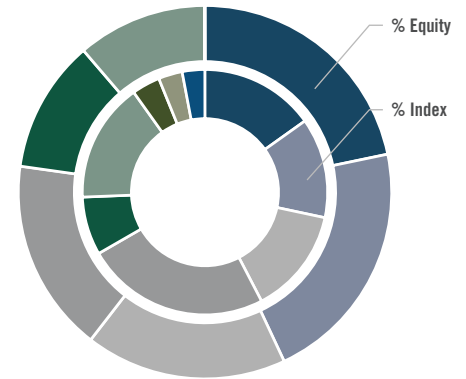
Start date as Fund Portfolio Manager: 2018

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	12.79	4.70
Median Market Cap (bn)	9.43	0.99
Trailing P/E Ex-Negative Earnings	32.04	16.14
Price-to-Cash Flow	24.67	13.09
Price-to-Book Value	7.16	3.31
3-Year EPS Growth Rate	20.66	12.57
5-Year EPS Growth Rate	21.86	10.60
Active Share	96.67	n/a

TOP TEN HOLDINGS	% Fund
DocuSign Inc	7.08
Scotts Miracle-Gro Co/The	5.31
Teradyne Inc	4.88
Thor Industries Inc	4.65
MSCI Inc	4.59
Nordson Corp	3.94
SiteOne Landscape Supply Inc	3.94
Zebra Technologies Corp	3.80
Pool Corp	3.72
Charles River Laboratories International Inc	3.51

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



	% Equity	% Index
Technology	21.73	15.15
Producer Durables	21.30	13.20
Consumer Discretionary	17.46	14.03
Financial Services	16.75	24.31
Materials & Processing	11.48	7.68
Health Care	11.28	15.78
Utilities	0.00	3.72
Consumer Staples	0.00	3.15
Energy	0.00	2.98

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. **Limited Number of Investments:** Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. **Market Volatility:** Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the fund and its investments, including hampering the ability of the fund's portfolio manager(s) to invest the fund's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

**Avg. Weighted Market Cap (bn):** The total dollar market value of all of a company's outstanding shares. **Trailing P/E Ex-Negative Earnings:** Per share stock price divided by the latest 12-months earnings per share. **Price-to-Cash Flow:** Per-share stock price divided by the per-share operating

cash flow. **Price-to-Book Value:** A ratio used to compare a stock's market value to its book value. **3-Year EPS Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year EPS Growth Rate:** Average of earnings per share growth for latest 5-year period. **Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

INDEX DEFINITION

Index: The Russell 2500™ Index is a market capitalization-weighted index of the 2,500 smallest companies in the Russell Universe, which comprises the 3,000 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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