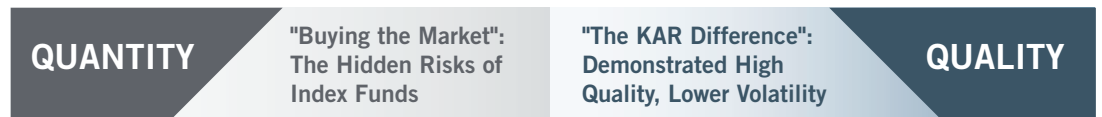


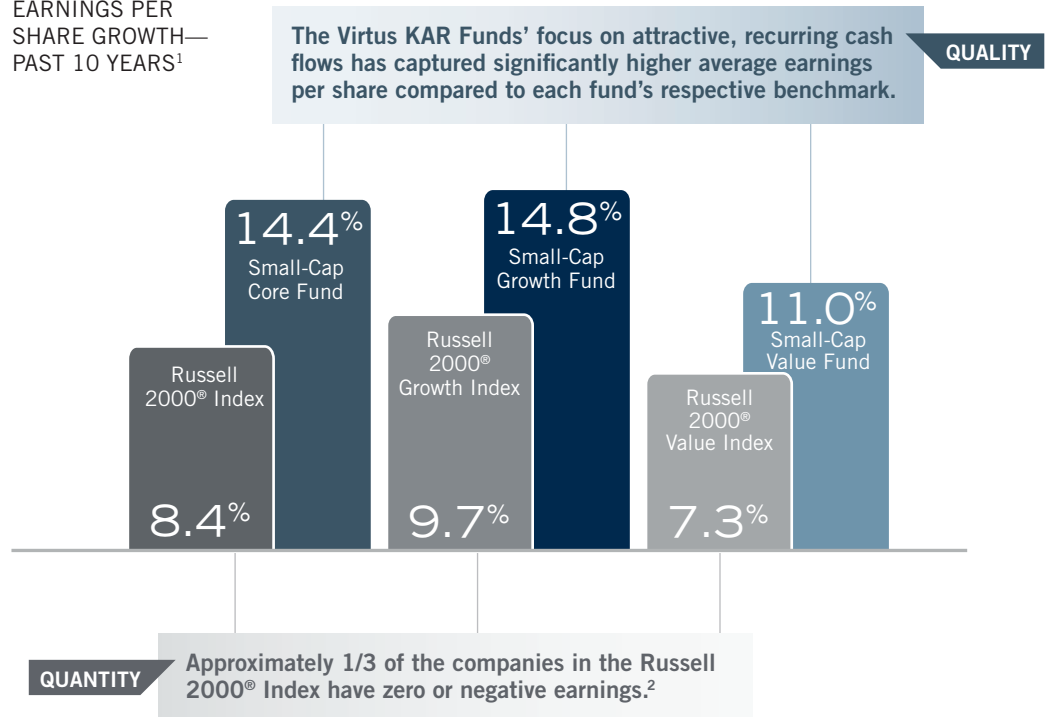
Kayne Anderson Rudnick (KAR) focuses on quality over quantity when it comes to small-cap investing. KAR believes that superior risk-adjusted returns may be achieved through investment in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

Choosing Quality over Quantity in Small-Cap Equities

Investors diversify their equity allocations into small-cap stocks because of the strong growth these securities have demonstrated over time. While some have opted for passive index exposure to this asset class to keep costs low, the greatest potential with small-caps doesn't occur when simply buying broadly. A high quality, high conviction approach may yield stronger benefits.



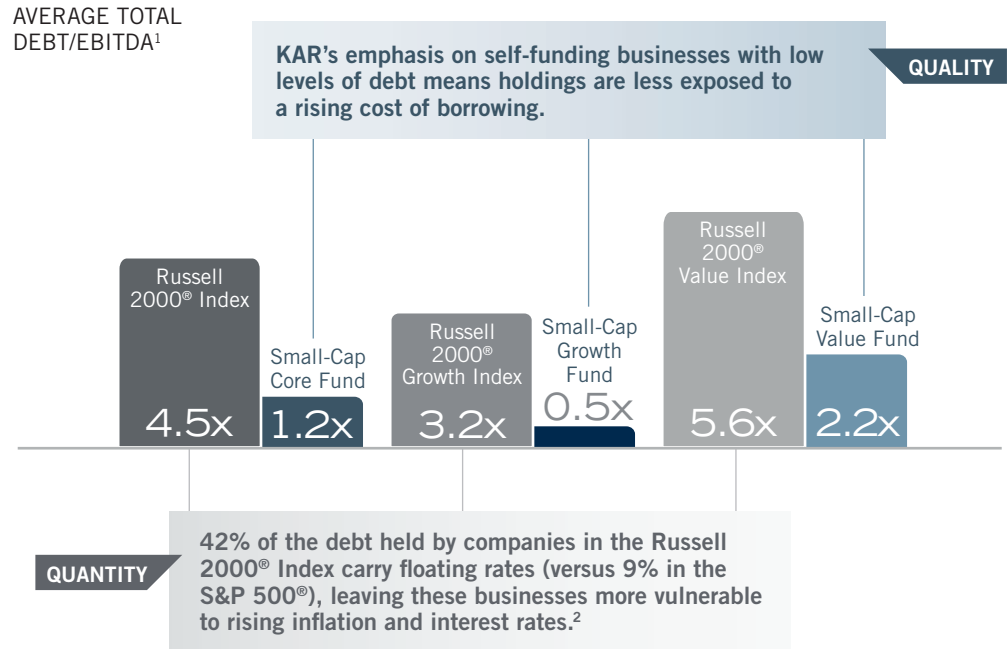
EARNINGS PER SHARE GROWTH—
PAST 10 YEARS¹



Past performance is no guarantee of future results.

¹As of 3/31/19. Data is obtained from the Frank Russell Company and FactSet and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information.

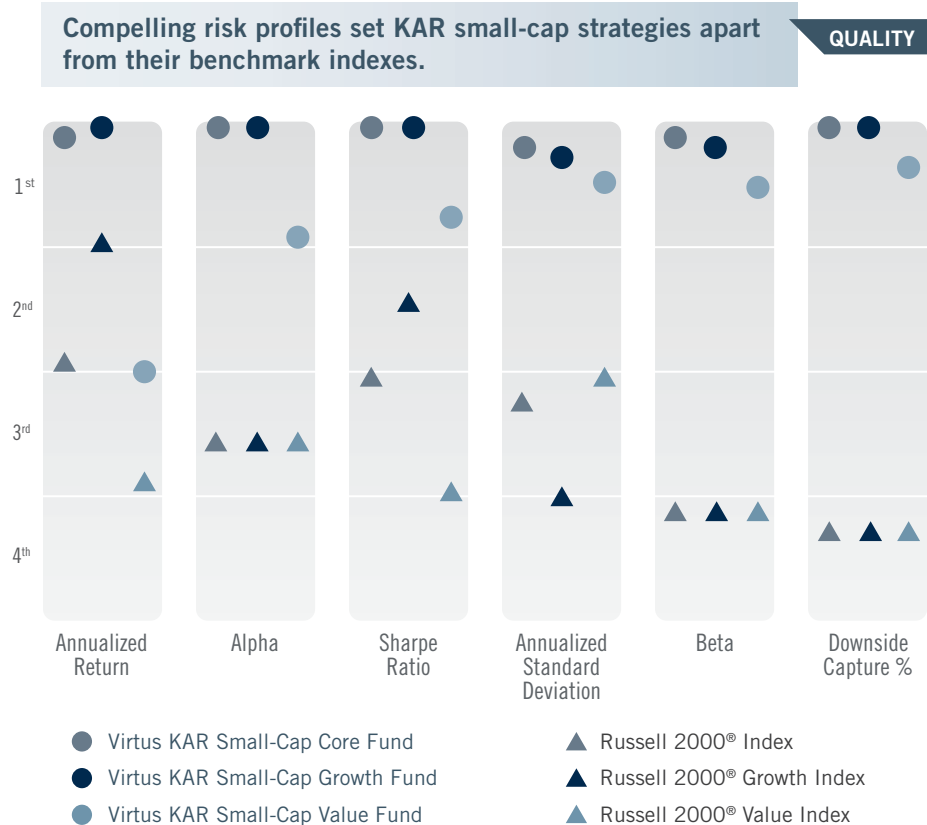
²"Here's the shocking truth about the Russell 2000's P/E ratio," *MarketWatch*, August 19, 2017, <http://on.mktw.net/2u0bmQ4>



VIRTUS KAR SMALL-CAP FUNDS:

Three high-conviction portfolios of stocks with consistently strong free cash flows, low levels of debt, and attractive earnings growth that have delivered impressive results and may help protect investors from some of the potential downsides of simply “buying the market.”

QUARTILE RANKING—TEN YEARS³



Past performance is no guarantee of future results.

¹As of 3/31/19. Data is obtained from the Frank Russell Company and FactSet and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information.
²“Unseen dangers in small-cap stock rally,” *Barron's*, January 20, 2018, <https://www.barrons.com/articles/unseen-dangers-in-small-cap-stock-rally-1516419134>
³As of 3/31/19. Source: Morningstar Direct. Each fund (Class I) ranked against a broad universe of 1,015 small-cap funds consisting of the combined Morningstar Small Blend, Small Growth, and Small Value categories.

AVERAGE ANNUAL TOTAL RETURNS Class I as of 3/31/19 in percent

MORNINGSTAR RATINGS

Virtus KAR Small-Cap Core Fund (I: PKSFX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 10/18/1996
NAV	21.42	21.42	12.35	22.41	15.87	19.25	10.47
Index ¹	14.58	14.58	2.05	12.92	7.05	15.36	8.28

The fund class gross expense ratio is 1.03% 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 1.01%.

Small Growth Category

Time Period	# of Stars	# of Funds
Overall	★★★★★	588
3 Year	★★★★★	588
5 Year	★★★★★	522
10 Year	★★★★★	393

Strong ratings are not indicative of positive fund performance.

Virtus KAR Small-Cap Growth Fund (I: PXSGX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 6/28/2006
NAV	22.20	22.20	23.07	28.68	20.54	21.99	12.53
Index ²	17.14	17.14	3.85	14.87	8.41	16.52	9.25

The fund class gross expense ratio is 1.14% 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 1.10%.

Time Period	# of Stars	# of Funds
Overall	★★★★★	588
3 Year	★★★★★	588
5 Year	★★★★★	522
10 Year	★★★★★	393

Strong ratings are not indicative of positive fund performance.

Virtus KAR Small-Cap Value Fund (I: PXQSX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 6/28/2006
NAV	10.88	10.88	-4.20	9.30	7.68	15.27	8.12
Index ³	11.93	11.93	0.17	10.86	5.59	14.12	6.62

The fund class gross expense ratio is 0.99%

Time Period	# of Stars	# of Funds
Overall	★★★	588
3 Year	★	588
5 Year	★★★	522
10 Year	★★★	393

Strong ratings are not indicative of positive fund performance.

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.

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.

¹The Russell 2000® Index is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies.

²The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies.

³The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies.

These indexes are calculated on a total return basis with dividends reinvested. These indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment.

The 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.

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Kayne Anderson Rudnick

A VIRTUS INVESTMENT PARTNER

To learn more about KAR's approach to high-quality small-cap investing, call 1-800-243-4361 or visit virtus.com.

Alpha: A measure of performance on a risk-adjusted basis. **Beta:** A quantitative measure of the volatility of a given portfolio relative to the overall market. Higher beta suggests higher volatility. Beta can also refer to relative volatility to a portfolio's stated benchmark. **Downside Capture Ratio:** A measure of a manager's ability to retain capital as the market declines. A value below 100 indicates that a manager was able to outperform in down markets. **Earnings Per Share Growth:** Indicates the earnings available to each common share. Earnings/share growth is the growth rate of the earnings per share. On a portfolio level, this statistic measures the trailing earnings per share growth of a portfolio's holdings. **Sharpe Ratio:** Measures the efficiency, or excess return per unit of risk, of a manager's returns. The greater the Sharpe Ratio, the better the portfolio's risk-adjusted return. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk. **Total Debt/EBITDA:** A measure of a company's ability to pay off its incurred debt; it is calculated by dividing total debt by earnings before interest, taxes, depreciation, and amortization.

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. **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. **Prospectus:** For additional information on risks, please see the fund's prospectus.

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 for a prospectus or summary prospectus. Read it carefully before investing.

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