

**INVESTMENT OVERVIEW**

The Fund seeks to generate attractive risk-adjusted long-term returns by investing in the stocks of U.S. mid-cap growth 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.

**KEY FEATURES**

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

**Uncovering Innovators and Disruptors** — Draws on KAR’s extensive fundamental research to identify companies with products and services with the potential to disrupt the business landscape and exceed investor expectations

**High-Conviction Portfolio** — Focused on the portfolio team’s 25-50 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value

**FUND INFORMATION**

	<b>Ticker</b>	<b>CUSIP</b>
I Shares	PICMX	92828N734
A Shares	PHSKX	92828N767
C Shares	PSKCX	92828N742
R6 Shares	VRMGX	92828N254

Inception Date	01/30/18
AUM (\$ millions)	3,287.4
Number of Holdings	52
Dividends	Semi-Annually
Morningstar Category	Mid-Cap Growth
Lipper Category	Mid-Cap Growth Funds
Index	Russell Midcap® Growth Index

**MORNINGSTAR RATINGS**

<b>Time Period</b>	<b># of Stars</b>	<b># of Funds</b>
Overall	★★★★★	560
3 Year	★★★★★	560
5 Year	Not Rated	n/a
10 Year	Not Rated	n/a

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

**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**

**Douglas S. Foreman, CFA**

Industry start date: 1986

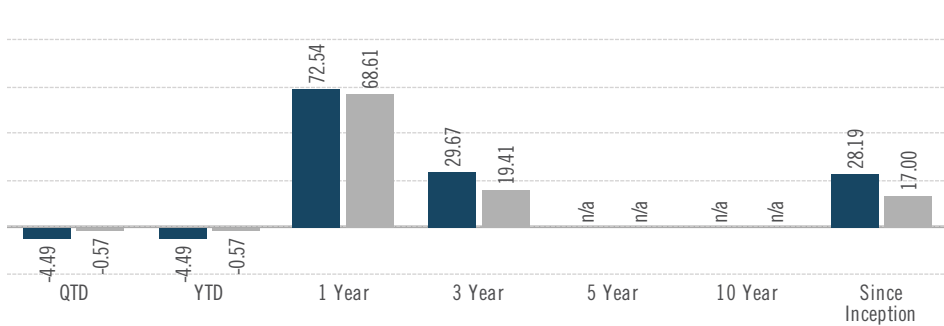
Start date as Fund Portfolio Manager: 2012

**Chris Armbruster, CFA**

Industry start date: 2004

Start date as Fund Portfolio Manager: 2020

**AVERAGE ANNUAL TOTAL RETURNS (%)** as of 03/31/21



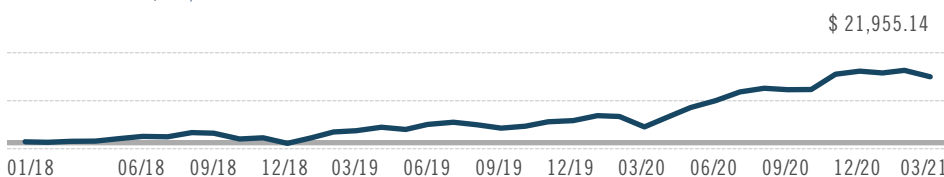
Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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 1.05%. The net expense ratio is 0.85%, which reflects a contractual expense reimbursement in effect through 1/31/2022. 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 0.83%. 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 (%)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Fund</b>	65.59	43.14	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Index</b>	35.59	35.47	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 1/30/2018. As of 3/31/2021 the fund value would have been \$21,955.14. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

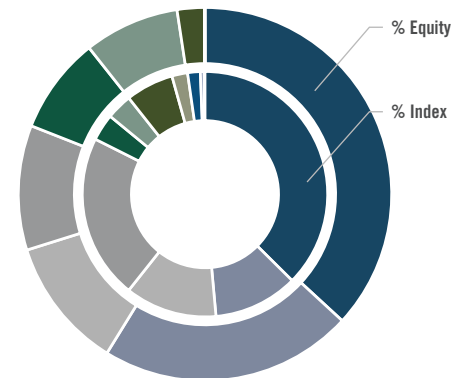
CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	26.26	24.45
Median Market Cap (bn)	21.37	12.55
Trailing P/E Ex-Negative Earnings	43.53	40.57
Price-to-Cash Flow	36.95	36.75
Price-to-Book Value	14.50	12.61
3-Year EPS Growth Rate	16.49	24.79
5-Year EPS Growth Rate	17.82	21.29
Active Share	85.62	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	9.16	n/a
Beta	0.97	1.00
R <sup>2</sup>	0.88	1.00
Sharpe Ratio	1.29	0.85
Standard Deviation	21.88	21.25

TOP TEN HOLDINGS	% Fund
MercadoLibre Inc	5.27
Trade Desk Inc/The	5.19
Bill.com Holdings Inc	3.58
SiteOne Landscape Supply Inc	3.38
DocuSign Inc	2.86
Avalara Inc	2.78
Fair Isaac Corp	2.74
Paycom Software Inc	2.52
Kansas City Southern	2.46
Okta Inc	2.38

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



	% Equity	% Index
Information Technology	36.85	37.43
Consumer Discretionary	21.95	11.15
Industrials	11.36	12.10
Health Care	10.82	21.73
Consumer Staples	8.36	3.56
Financials	8.27	3.39
Communication Services	2.39	6.32
Materials	0.00	2.06
Real Estate	0.00	1.68
Energy	0.00	0.50
Utilities	0.00	0.09

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. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio'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. **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.

INDEX DEFINITION

Index: The Russell Midcap® Growth Index is a market capitalization-weighted index of medium-capitalization, growth-oriented stocks of 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.

Please consider a Fund's investment objectives, risks, charges, and expenses carefully before investing. For this and other information about any Virtus Fund, contact your financial professional, call 800-243-4361, or visit [virtus.com](http://virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.

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