

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 Business — 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

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)	3.4
Number of Holdings	29
Dividends	Semi-Annually
Morningstar Category	Small Blend
Lipper Category	Mid-Cap Core 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.

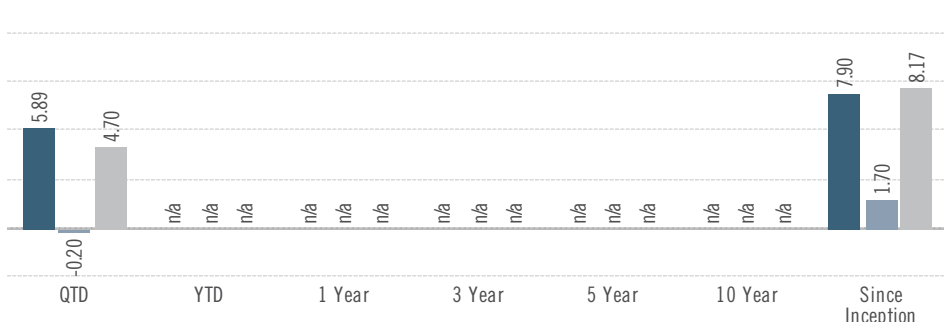
PORTFOLIO MANAGERS

Jon Christensen, CFA
Industry start date: 1995
Start date with Fund: 2018

Julie Kutasov
Industry start date: 2001
Start date with Fund: 2018

Craig Stone
Industry start date: 1989
Start date with Fund: 2018

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/18

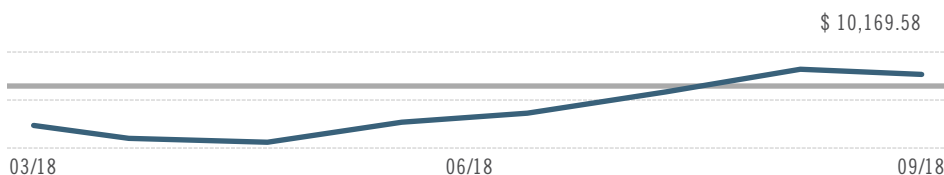


Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so your shares, when redeemed, may be worth more or less than their original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

The fund class gross expense ratio is 1.75%. The net expense ratio is 1.30%, which reflects a contractual expense reimbursement in effect through 3/31/2019.

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 1% 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.

GROWTH OF \$10,000



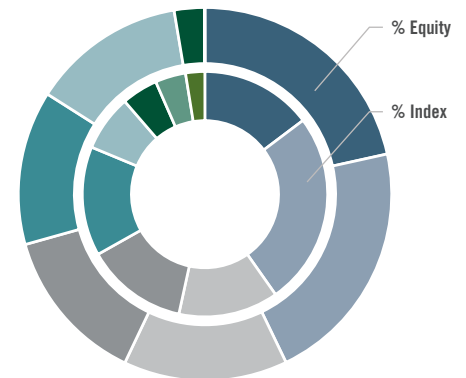
This chart assumes an initial investment of \$10,000 made on 3/7/2018. As of 9/28/2018 the fund value would have been \$10,169.58. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 5.75%.

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	8.55	5.32
Median Market Cap (bn)	8.08	1.31
Trailing P/E Ex-Negative Earnings	25.14	19.33
Price-to-Cash Flow	23.87	16.60
Price-to-Book Value	5.32	3.50
3-Year EPS Growth Rate	15.21	8.92
5-Year EPS Growth Rate	16.17	9.21
Active Share	97.00	n/a

TOP TEN HOLDINGS	% Fund
Aspen Technology, Inc.	4.99
RBC Bearings Incorporated	4.89
MSCI Inc. Class A	4.53
Cooper Companies, Inc.	4.36
Scotts Miracle-Gro Company Class A	4.29
Primerica, Inc.	4.18
Snap-on Incorporated	4.08
FLIR Systems, Inc.	3.97
Nordson Corporation	3.96
Lennox International Inc.	3.86

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



	% Equity	% Index
Producer Durables	21.54	14.73
Financial Services	21.31	25.52
Technology	14.21	13.17
Health Care	13.59	13.42
Consumer Discretionary	13.36	14.42
Materials & Processing	13.33	7.40
Energy	2.65	4.77
Utilities	0.00	4.02
Consumer Staples	0.00	2.54

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.

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: 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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