THE SPINNING WORLD

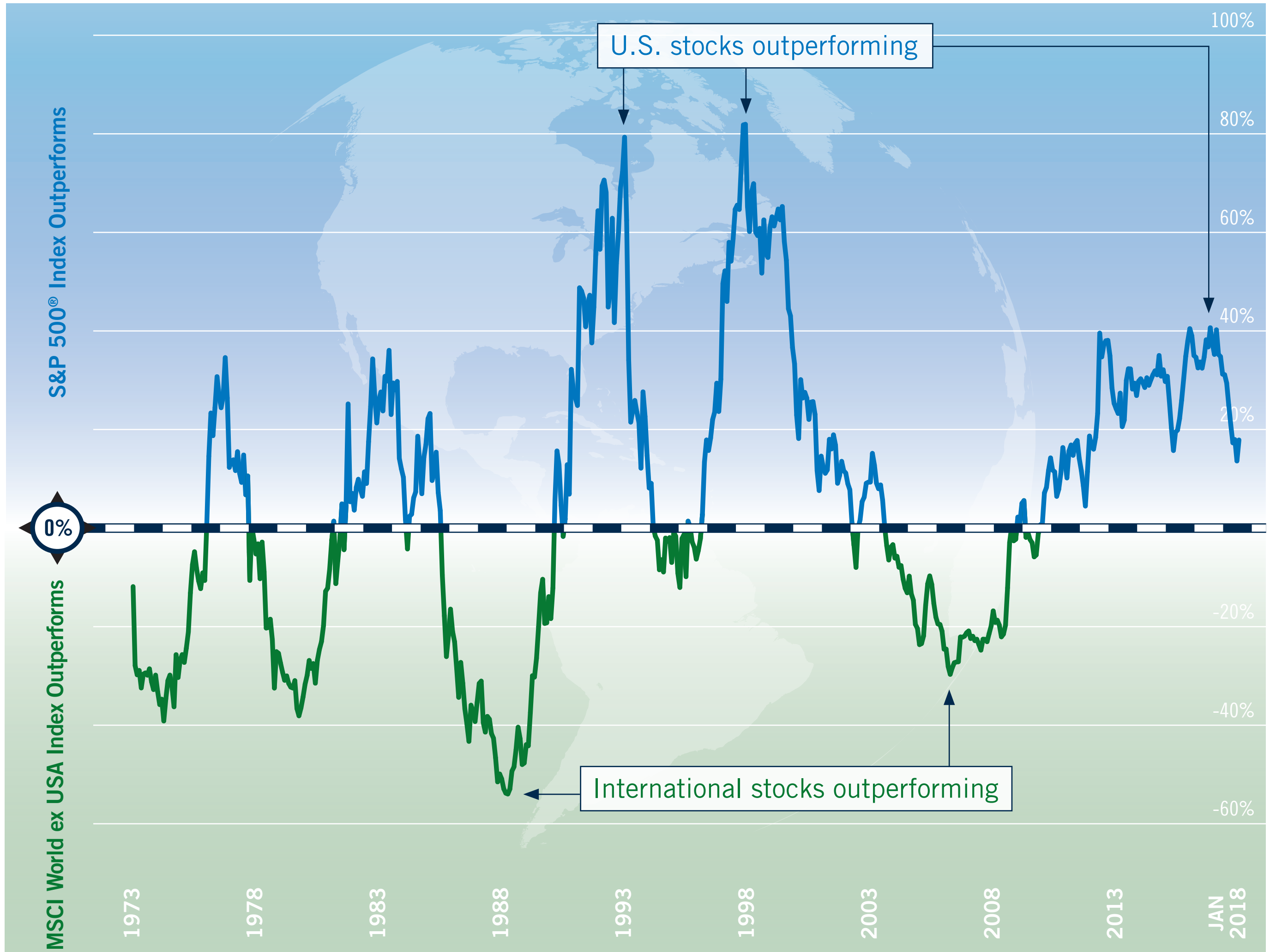
VIRTUS INVESTMENT PARTNERS

A globally diversified portfolio is important for those seeking strong investment performance. Diversification, however, is only effective when an investor is willing to own markets that have fallen "behind."

At times, the U.S. stock market has far outpaced international markets, such as in the 1990s and recently. Other times, the opposite has been true, such as in the 1980s or the 2000s.

There is no way to precisely time this unpredictable change in leadership. What we can do is attempt to avoid chasing recent outperformance and adopt a more contrarian mindset. This is especially hard when investing globally because of "home bias"—our tendency to prefer investments in more familiar markets.

ROLLING 3-YEAR RELATIVE RETURNS



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Past performance is not indicative of future results.

There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio, or that it will assure a profit or protect against losses. Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. The **MSCI AC World ex USA Index** is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets, excluding the United States. The **S&P 500® Index** is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment.