

A WINNER'S WINDING PATH

VIRTUS KAR SMALL-CAP CORE FUND



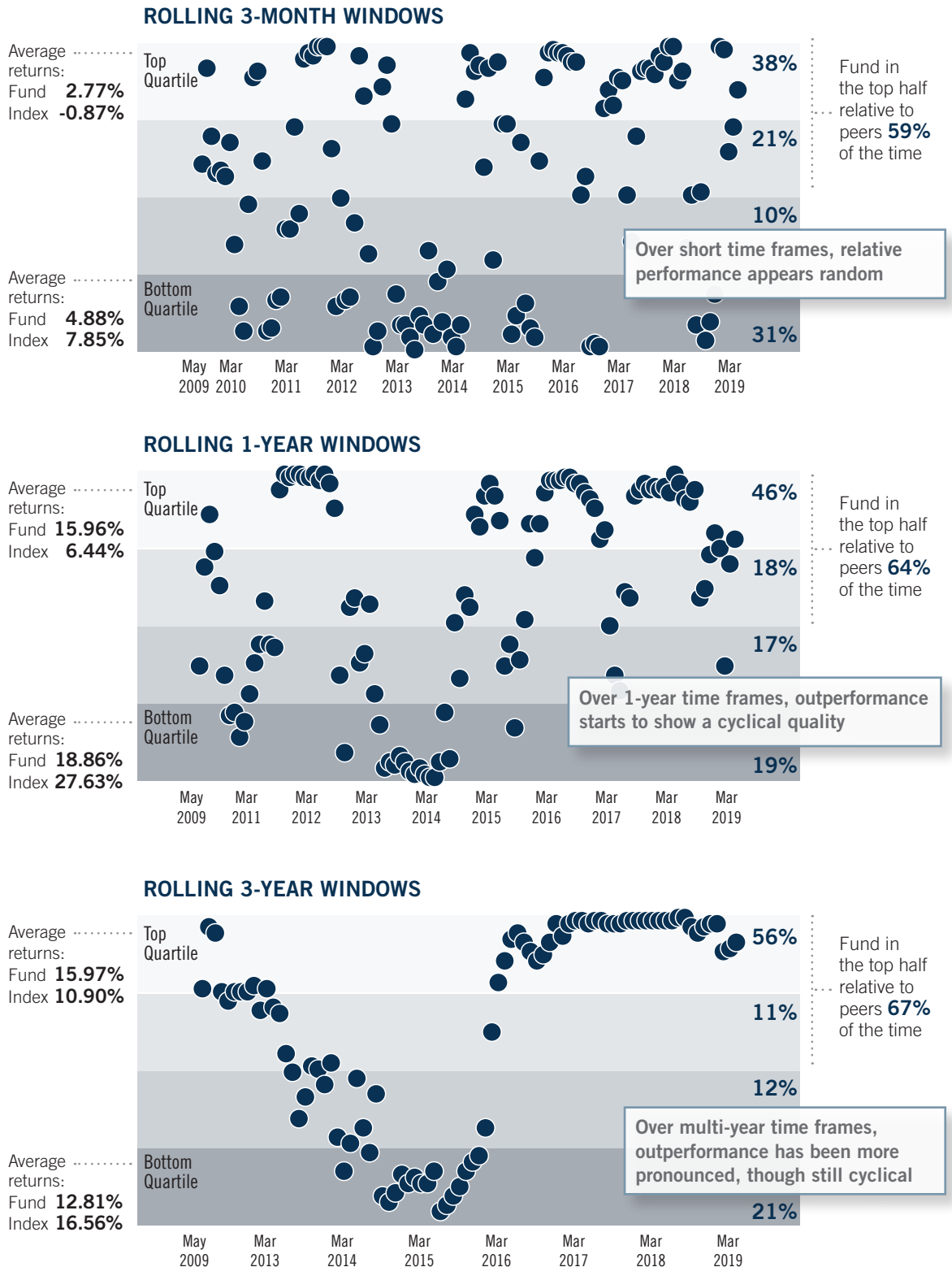
In investing, the path to the winner's circle is never a straight line. Good performance over the long run doesn't mean victory over every shorter-term period.

All investment styles and strategies—including growth, value, quality, and small cap—go in and out of favor, unpredictably. As a result, disciplined fund managers with a clearly defined process, and who do not chase short-term trends, will sometimes trail the pack.

Investors must be willing to adopt a longer-term perspective to benefit from such a disciplined approach.

Fund Ranking (Class I) Among Peers Over Rolling Periods

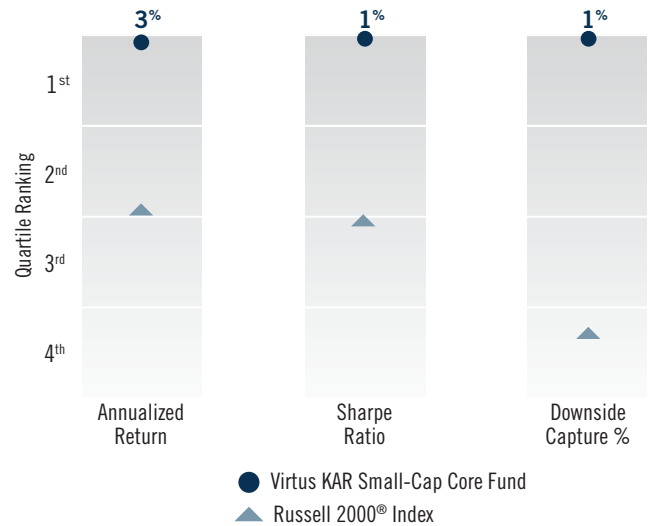
Peer Group: Morningstar Small Growth, Value, and Blend Categories



Past performance is not indicative of future results.

As of 3/31/2019. Computed monthly. Source: Morningstar Direct. Totals may not add up to 100% due to rounding. Index: Russell 2000® Index. See following page for definition.

QUARTILE RANKINGS (10 Years Ended 3/31/19)



Past performance is no guarantee of future results.

As 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.

While short-term performance can appear random, the **Virtus KAR Small-Cap Core Fund** has generated top-tier long-term results against both its benchmark and peers. Investors seeking long-term success must muffle the noise of short-term results.

To learn more, please contact us at 1-800-243-4361 or visit virtus.com

CLASS I (PKSFX) PERFORMANCE (%) as of 3/31/2019

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEP 10/18/1996	MORNINGSTAR RATINGS				
								SMALL GROWTH CATEGORY				
								OVERALL	3 YEAR	5 YEAR	10 YEAR	
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	# OF FUNDS	588	588	522	392

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%.

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.

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.

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. 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.

Effective July 31, 2018, this Fund is closed to new investors. Please see the prospectus for exceptions.

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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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. **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.

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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