

A WINNER'S WINDING PATH

VIRTUS KAR SMALL-CAP CORE FUND



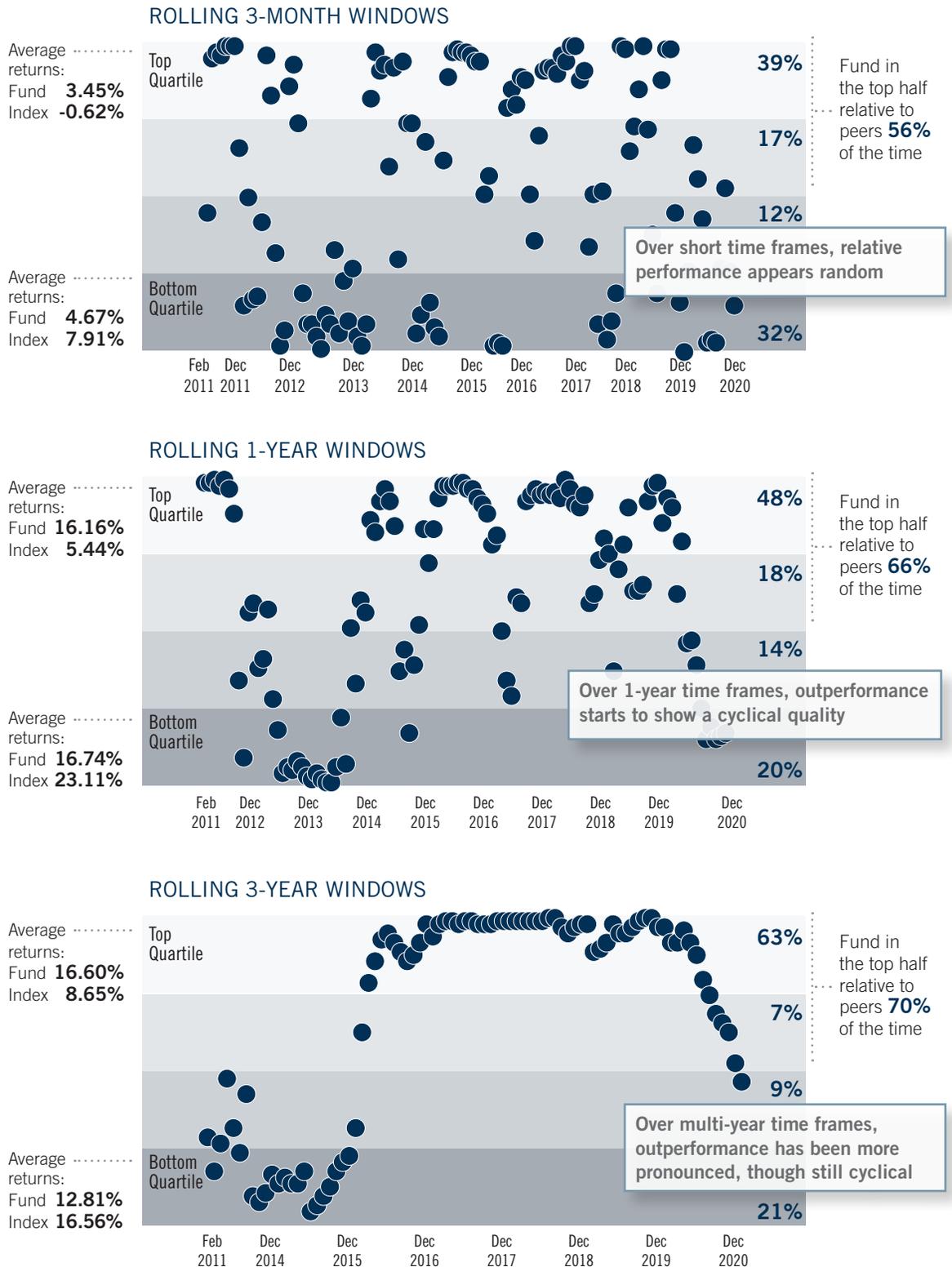
In investing, the path to the winner's circle is never a straight line. Good performance over the long run doesn't mean victory over every shorter-term period.

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, Based on Total Return



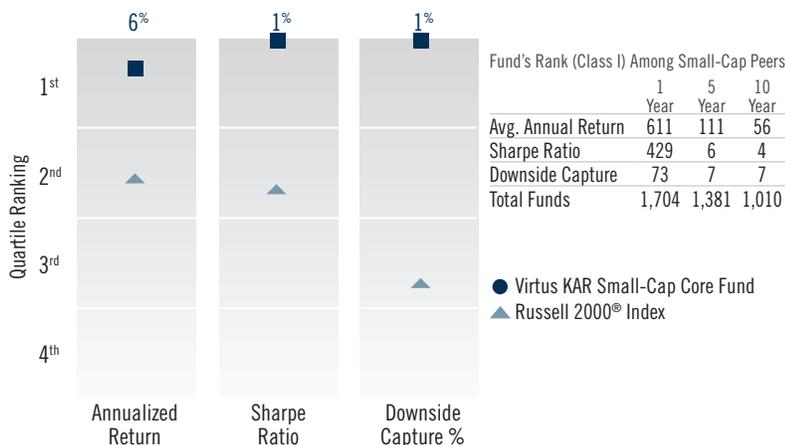
● Virtus KAR Small-Cap Core Fund, Class I

Past performance is not indicative of future results.

As of 12/31/2020. Computed monthly. Source: Morningstar Direct. Totals may not add up to 100% due to rounding. Index: **Russell 2000® Index**. See following page for definition.

MORNINGSTAR PERCENTILE RANKINGS

Small-Cap Fund Universe Consisting of Small Blend, Small Growth, and Small Value Categories, 10 Years, Based on Total Return as of 12/31/2020



Past performance is no guarantee of future results.
Source: Morningstar Direct.

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.

KAR

Kayne Anderson Rudnick
A VIRTUS INVESTMENT PARTNER

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

CLASS I (PKSFX) PERFORMANCE (%) as of 12/31/2020

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEP 10/18/1996	MORNINGSTAR RATINGS				
								OVERALL	3 YEAR	5 YEAR	10 YEAR	
NAV	16.61	21.35	21.35	18.61	21.46	16.12	11.21	★★★★★	★★★	★★★★★	★★★★★	
Index ¹	31.37	19.96	19.96	10.25	13.26	11.20	8.88	# OF FUNDS	564	564	504	383

The fund class gross expense ratio is 1.02%.

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

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 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 for details.

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.

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 fund with a greater number of securities. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, 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.

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

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