

INVESTMENT OVERVIEW

The Fund seeks to generate attractive risk-adjusted returns using subadviser Kayne Anderson Rudnick's disciplined, quality-driven investment process to purchase long positions in companies with durable competitive advantages and strong management teams, and sell short positions in companies with poor financial performance, flawed business models, or aggressive capital structures.

KEY FEATURES

Long High-Quality/Short Low-Quality Businesses — Utilizes fundamental research to identify companies with solid balance sheets, consistent growth, profitability, and market-dominant business models for long positions, while seeking companies with weak balance sheets, inconsistent growth and profitability, and a flawed business model for short positions.

Lower Volatility Approach — An alternative strategy that strives for equity-like returns with less downside risk over a full market cycle, relative to the broad market—without the use of leverage.

High-Conviction Portfolio — A concentrated, low-turnover approach featuring long positions in 20-30 stocks and short positions in 20-30 stocks.

FUND INFORMATION

	Ticker	CUSIP
A Shares	VLSAX	92835M539
C Shares	VLSCX	92835M521
I Shares	VLSIX	92835M513
R6 Shares	VLSRX	92835M497

Inception Date	12/6/18
Dividends	Semiannually
Index	Russell 3000® Index

INVESTMENT ADVISER

Virtus Alternative Investment Advisers, LLC

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 MANAGER

Chris Wright, CFA

Industry start date: 2012

Start date with Fund: 2018

IMPORTANT RISK CONSIDERATIONS

Short Sales: The fund may engage in short sales, and may experience a loss if the price of a borrowed security increases before the date on which the fund replaces the security. **Non-Diversified:** The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets. **Counterparties:** There is risk that a party upon whom the fund relies to complete a transaction will default. **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:** The securities in the fund may go up or down in response to the prospects of individual companies and general economic conditions. Price changes may be short or long term. **Prospectus:** For additional information on risks, please see the fund's prospectus.

INDEX DEFINITION

Index: The Russell 3000® Index is a market capitalization-weighted index that measures the performance of 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.

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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