

VIRTUS U.S. SMALL-CAP EQUITY FUNDS

Time-Tested Small-Cap Strategies from Three Virtus Investment Affiliates


Virtus Ceredex Small-Cap Value Equity Fund

	Ticker	CUSIP
A Shares	SASVX	92837F433
C Shares	STCEX	92837F425
I Shares	SCETX	92837F417
R6 Shares	VVERX	92837X665

Inception Date: 01/31/97

AUM (\$ millions): 414.8

Number of Holdings: 50

Dividends: Semi-Annually

Morningstar Category: Small Blend

Lipper Category: Small-Cap Core Funds

Index: Russell 2000® Value Index

PORTFOLIO MANAGER

Brett Barner, CFA

Industry start date: 1985

Start date as Fund Portfolio Manager: 1995

KEY FEATURES

Low Valuation Levels — Searches for small-cap stocks trading at the lower end of historical valuation ranges relative to peers, industry, market, and company history

The Power of Dividends — Dividend-paying stocks offer insights into company earnings potential and provide an added total return source that can help lower overall volatility

Extensive Fundamental Research — Bottom-up analysis strives to identify catalysts that could drive meaningful price gains, such as new management, restructurings, or product innovations


 Kayne Anderson Rudnick
 A VIRTUS INVESTMENT PARTNER

Virtus KAR Small-Cap Value Fund

	Ticker	CUSIP
A Shares	PQSAX	92828N684
C Shares	PQSCX	92828N676
I Shares	PXQSX	92828N668
R6 Shares	VQSRX	92828N411

Inception Date: 06/28/06

AUM (\$ millions): 763.0

Number of Holdings: 30

Dividends: Semi-Annually

Morningstar Category: Small Growth

Lipper Category: Small-Cap Growth Funds

Index: Russell 2000® Value Index

PORTFOLIO MANAGERS

Julie Kutasov

Industry start date: 2001

Start date as Fund Portfolio Manager: 2008

Craig Stone

Industry start date: 1989

Start date as Fund Portfolio Manager: 2009

KEY FEATURES

High-Quality Businesses — Searches for quality small-cap 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

Effective July 31, 2018, the Virtus KAR Small-Cap Core Fund is closed to new investors. Effective September 28, 2018, the Virtus KAR Small-Cap Growth Fund is closed to new investors. Please see the prospectuses for exceptions.

Virtus KAR Small-Cap Core Fund

	Ticker	CUSIP
A Shares	PKSAX	92828N551
C Shares	PKSCX	92828N536
I Shares	PKSFX	92828N528
R6 Shares	VSCRX	92828N429

Inception Date: 10/18/96

AUM (\$ millions): 1,517.3

Number of Holdings: 28

Dividends: Semi-Annually

Morningstar Category: Mid-Cap Growth

Lipper Category: Mid-Cap Growth Funds

Index: Russell 2000® Index

PORTFOLIO MANAGERS

Jon Christensen, CFA

Industry start date: 1995

Start date as Fund Portfolio Manager: 2008

Todd Beiley, CFA

Industry start date: 1999

Start date as Fund Portfolio Manager: 2009

Virtus KAR Small-Cap Growth Fund

	Ticker	CUSIP
A Shares	PSGAX	92828N627
C Shares	PSGCM	92828N619
I Shares	PXSGX	92828N593
R6 Shares	VRSGX	92828N247

Inception Date: 06/28/06

AUM (\$ millions): 5,896.8

Number of Holdings: 29

Dividends: Semi-Annually

Morningstar Category: Small Growth

Lipper Category: Mid-Cap Growth Funds

Index: Russell 2000® Growth Index

PORTFOLIO MANAGERS

Jon Christensen, CFA

Industry start date: 1995

Start date as Fund Portfolio Manager: 2009

Todd Beiley, CFA

Industry start date: 1999

Start date as Fund Portfolio Manager: 2008

Virtus Silvant Small-Cap Growth Stock Fund

	Ticker	CUSIP
A Shares	SCGIX	92837F359
I Shares	SSCTX	92837F334

Inception Date: 10/08/98

AUM (\$ millions): 28.2

Number of Holdings: 88

Dividends: Semi-Annually

Morningstar Category: Small Growth

Lipper Category: Small-Cap Growth Funds

Index: Russell 2000® Growth Index

PORTFOLIO MANAGERS

Michael A. Sansoterra

Industry start date: 1996

Start date as Fund Portfolio Manager: 2007

Sandeep Bhatia, Ph.D., CFA

Industry start date: 2000

Start date as Fund Portfolio Manager: 2011

KEY FEATURES

Growth as a Condition, Not a Category — Searches for small-cap growth opportunities across the market, including segments overlooked by many traditional growth managers

Extensive Fundamental Research — Bottom-up analysis strives to identify well-run businesses with positive investment characteristics and potential to grow earnings faster than peers

Focused on True Game Changers — Evaluates secular trends and disruptive products and services with potential to disrupt the business landscape and exceed investor expectations

AVERAGE ANNUAL TOTAL RETURNS Class I as of 6/30/20 in percent

Virtus Ceredex Small-Cap Value Equity Fund (I: SCETX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 1/31/1997
NAV	17.32	-22.42	-19.62	-3.78	0.70	7.74	8.63
Index ¹	18.91	-23.50	-17.48	-4.35	1.26	7.82	7.57

The fund class gross expense ratio is 1.20%.

Virtus KAR Small-Cap Value Fund (I: PXQX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 6/28/2006
NAV	28.47	0.10	9.30	5.46	8.66	11.97	8.29
Index ¹	18.91	-23.50	-17.48	-4.35	1.26	7.82	4.67

The fund class gross expense ratio is 1.01%.

Virtus KAR Small-Cap Core Fund (I: PKSFX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 10/18/1996
NAV	18.42	-3.23	6.21	16.74	15.66	15.94	10.40
Index ²	25.42	-12.98	-6.63	2.01	4.29	10.50	7.61

The fund class gross expense ratio is 1.02%.

Virtus KAR Small-Cap Growth Fund (I: PXSGX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 6/28/2006
NAV	34.45	11.23	18.09	26.09	22.63	20.96	13.31
Index ³	30.58	-3.06	3.48	7.86	6.86	12.92	8.86

The fund class gross expense ratio is 1.11%.

Virtus Silvant Small-Cap Growth Stock Fund (I: SSCTX)

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Incep. 10/08/1998
NAV	27.84	1.36	5.16	11.52	7.85	12.49	9.85
Index ³	30.58	-3.06	3.48	7.86	6.86	12.92	8.77

The fund class gross expense ratio is 1.48%. The net expense ratio is 1.15%, which reflects a contractual expense reimbursement in effect through 4/30/2021.

¹The Russell 2000® Value Index is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies.

²The 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. ³The Russell 2000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. These indexes are calculated on a total return basis with dividends reinvested. These indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment.

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. **Value Stocks:** Value stocks are subject to the risk that the broad market may not recognize their intrinsic value. **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. **Growth Stocks:** Growth stocks are typically sensitive to market movements because their market prices tend to reflect future expectations. When it appears those expectations will not be met, the prices of growth stocks typically fall. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **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 fund and its investments, including hampering the ability of the fund's portfolio manager(s) to invest the fund's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

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 representative, call 800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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MORNINGSTAR RATINGS

Small Blend Category

Time Period	# of Stars	# of Funds
Overall	★★	615
3 Year	★★	615
5 Year	★★	495
10 Year	★★	359

Small Growth Category

Time Period	# of Stars	# of Funds
Overall	★★★	577
3 Year	★★★	577
5 Year	★★★★	508
10 Year	★★★	377

Mid-Cap Growth Category

Time Period	# of Stars	# of Funds
Overall	★★★★★	558
3 Year	★★★★	558
5 Year	★★★★★	500
10 Year	★★★★★	381

Small Growth Category

Time Period	# of Stars	# of Funds
Overall	★★★★★	577
3 Year	★★★★★	577
5 Year	★★★★★	508
10 Year	★★★★★	377

Small Growth Category

Time Period	# of Stars	# of Funds
Overall	★★★	577
3 Year	★★★	577
5 Year	★★★	508
10 Year	★★★	377

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

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.

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 effect of sales charges and loads.

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