

**MORNINGSTAR RATINGS AND RANKINGS** as of 12/31/23  
 1 shares rated within Mid-Cap Value category

Overall Rating ★★★★★ (Out of 383 Funds)

Time Period	# of Stars	# of Funds
3 Year	★★★	383
5 Year	★★★★	363
10 Year	★★★★★	274

Time Period	Percentile Ranking	Ranking/# of Peers
3 Year	87th	341/383
5 Year	80th	282/363
10 Year	53rd	134/274

Morningstar ratings are based on risk-adjusted returns. Rankings are based on fund share class total return and do not include the effect of the fund's sales load, if applicable. Each fund is ranked within a universe of funds similar in portfolio characteristics and capitalization. Strong ratings are not indicative of positive fund performance.

## The Power of Dividend-Paying Mid-Cap Value Stocks

Mid-size companies trading at lower valuations may offer compelling investment characteristics, and a dividend focus can help potentially cushion volatility and enhance long-term returns.

## Strict Valuation Discipline

Rigorous individual stock research seeks to identify companies trading at attractive absolute and relative valuations that also offer the potential for growth and upside catalysts.

## Consistency and Continuity

The Fund's core investment team has been managing value equity portfolios together for more than 20 years. Don Wordell is one of the longest-tenured mid-cap fund managers, managing this Fund since 2001.



"We believe that carefully selected, undervalued dividend-paying stocks with positive catalysts have the potential to yield consistently attractive long-term, risk-adjusted results for our investors."

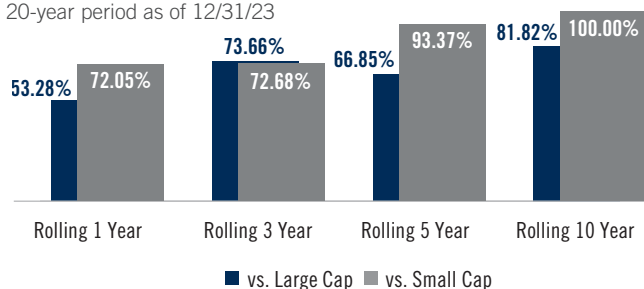
Don Wordell, CFA  
 Start date as Fund Portfolio Manager: 2001

## Mid-Cap Value Segment: A Market Sweet Spot

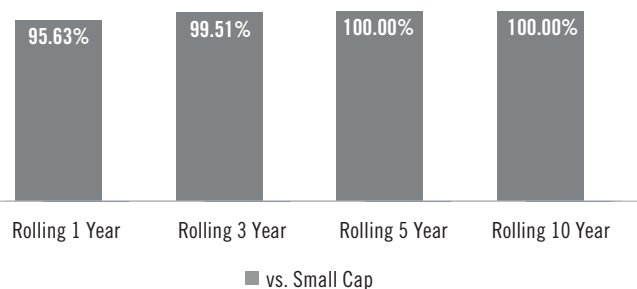
The mid-cap segment offers a distinct market opportunity that combines the greater upside potential often associated with small-cap stocks with the liquidity characteristics of large-cap stocks. As shown below, mid-cap value outpaced large-cap value in the majority of rolling 1-, 3-, 5-, and 10-year periods over 20 years with lower volatility (as measured by standard deviation) than small-cap value.

### HISTORICAL OUTPERFORMANCE VS. LARGE CAPS & SMALL CAPS...

20-year period as of 12/31/23



### ...WITH LESS RISK THAN SMALL CAPS



Source: Morningstar Direct. Mid-Cap Value represented by the Russell Mid-Cap® Value Index, Large Cap Value represented by the Russell 1000® Value Index, and Small Cap Value represented by the Russell 2000® Value Index. Left bars show the percentage of time Mid-Cap Value outperformed Large Cap Value and Small Cap Value over different rolling periods, while the right bars show the percentage of time Mid-Cap Value exhibited lower volatility (standard deviation) than Small Cap Value.

**Past performance is no guarantee of future results.**

A Disciplined Value Approach: Three to Buy, One to Sell

In the search for value, a stock must meet **three criteria** to be considered for the portfolio. A change in **any one** criteria—dividend policy revision, failure to meet a valuation target, or deteriorating fundamentals—will result in a stock’s removal from the portfolio.

1

**Does the stock pay a dividend?**

Dividends signal management confidence and conviction in its business model and financial strength

2

**Is the valuation attractive?**

Identifies potential buying opportunities in stocks trading at the lower end of their historical price ranges

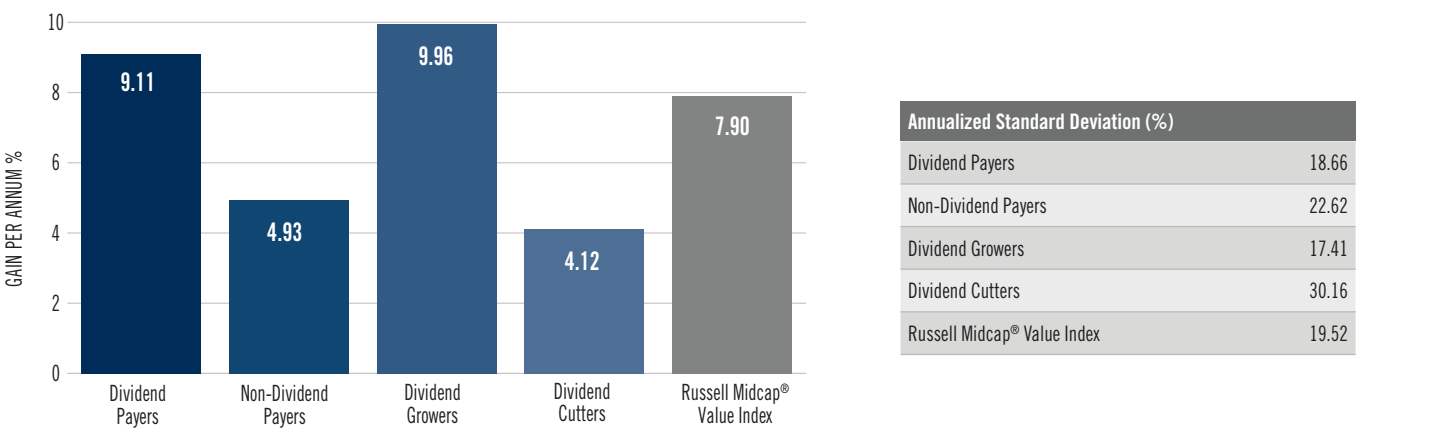
3

**Are fundamentals improving?**

Focuses on company catalysts that can unlock upside potential

Focus on Dividends: A Strategic Advantage

The Fund seeks to invest in dividend-paying stocks with high upside potential that trade at attractive absolute and relative valuations. Companies that deliver consistent dividend payouts tend to promote financial stability, transparency, and confidence to investors. Historically, dividend-paying and dividend-growing mid-cap value stocks have significantly outperformed non-dividend-paying mid-cap value stocks and the Index, with less risk.



Source: Ned Davis Research. Russell Midcap® Value Index, 12/31/13-12/31/23. There is no assurance or guarantee that companies that issue dividends will declare or continue to pay or increase dividends. **Past performance is no guarantee of future results.**

Adding Portfolio Value

The Fund’s emphasis on extensive fundamental research to drive security selection creates a true stock-picker’s portfolio with a high active share—a measure of the percentage of holdings in a portfolio that differs from its benchmark. This disciplined, active management approach offers the potential to outperform the benchmark.

**ACTIVE SHARE**  
as of 12/31/23

**86.49%**

## Performance (I Shares)

### AVERAGE ANNUAL TOTAL RETURNS (%)

as of 12/31/23

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 11/30/01
<b>Class I</b>	11.80	10.97	10.97	7.20	10.13	7.65	9.12
<b>Russell Midcap® Value Index</b>	12.11	12.71	12.71	8.36	11.16	8.26	9.63

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](http://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](http://virtus.com) for details.

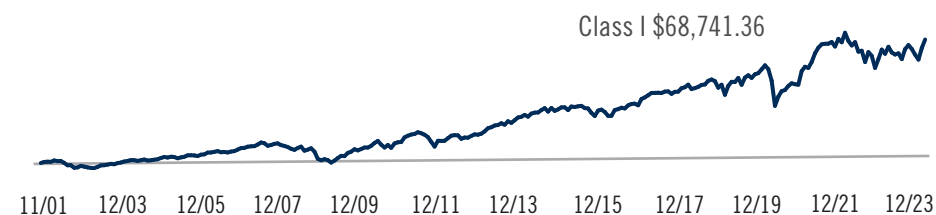
The fund class gross expense ratio is 1.01%.

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.

### ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Fund</b>	10.97	-13.92	28.99	-1.20	33.08	-7.83	11.68	20.16	-6.00	11.00
<b>Index</b>	12.71	-12.03	28.34	4.96	27.06	-12.29	13.34	20.00	-4.78	14.75

### GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 11/30/01. As of 12/31/23 the fund value would have been \$68,741.36. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

### CHARACTERISTICS

	Fund	Index
Avg. Weighted Market Cap (bn)	29.99	23.02
Median Market Cap (bn)	22.79	10.09
Forward Price/Earnings	17.69	15.87
Price-to-Cash Flow	13.58	14.26
Price-to-Book Value	3.08	2.97
3-Year EPS Growth Rate	10.24	12.52
5-Year EPS Growth Rate	12.22	11.38

### RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	-0.57	n/a
Beta	0.89	1.00
R <sup>2</sup>	0.95	1.00
Sharpe Ratio	0.28	0.32
Standard Deviation	17.73	19.31

See Glossary on last page for definitions of these metrics.

## TOP TEN HOLDINGS

	% Fund
Humana Inc.	3.12
Marvell Technology Inc.	2.88
First Citizens BancShares Inc/NC	2.71
Ovintiv Inc.	2.70
Chesapeake Energy Corp.	2.54
Target Corp.	2.36
Allstate Corp/The	2.13
Global Payments Inc.	2.02
Dell Technologies Inc.	2.00
PPL Corp.	1.97

Holdings are subject to change.

AUM (\$ millions)	2,200.0
Number of Holdings	60
Dividends	Semi-Annually
Morningstar Category	Mid-Cap Value
Index	Russell Midcap® Value Index

## PORTFOLIO MANAGERS



### Don Wordell, CFA

Industry start date: 1996

Start date as Fund Portfolio Manager: 2001



### Cody P. Smith, CFA

Industry start date: 2004

Start date as Fund Portfolio Manager: 2023

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**Indexes:** The Russell Midcap® Value Index is a market capitalization-weighted index of medium-capitalization, value-oriented stocks of U.S. companies. The Russell 1000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The 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. The Index is 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, medium, or large-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. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

## GLOSSARY

**Avg. Weighted Market Cap (bn):** The sum of each security's weight within the fund (or index) multiplied by the security's market capitalization. **Trailing P/E Ex-Negative Earnings:** Per share stock price divided by the latest 12-months earnings per share. **Price-to-Cash Flow:** Per-share stock price divided by the per-share operating cash flow. **Price-to-Book Value:** A ratio used to compare a stock's market value to its book value. **3-Year EPS Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year EPS Growth Rate:** Average of earnings per share growth for latest 5-year period. **Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Alpha:** A risk-adjusted measure of an investment's

excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R²:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

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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