

SECTOR DIVERSIFICATION



Sector leadership changes year after year — but it's not possible to predict future winners. Diversification is the answer.

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 YTD* | 4/1/11 – 3/31/21 | 1/1/08 – 3/31/21 |
|------------------------|------|-------|------|------|------|-------|------|------|-------|------|-------|-----------|------------------|------------------|
| Real Estate | 32.3 | 19.9 | 28.8 | 43.1 | 30.2 | 10.1 | 27.4 | 38.8 | 6.5 | 50.3 | 43.9 | 30.9 | 20.5 | 15.5 |
| Consumer Disc. | 27.7 | 14.0 | 23.9 | 41.5 | 29.0 | 6.9 | 23.5 | 23.8 | 4.1 | 32.7 | 33.3 | 16.0 | 17.5 | 14.9 |
| Industrials | 26.7 | 12.7 | 19.7 | 40.7 | 25.3 | 6.6 | 22.8 | 23.0 | 0.8 | 32.1 | 23.6 | 11.4 | 15.6 | 11.6 |
| Materials | 22.2 | 11.4 | 18.3 | 35.6 | 20.1 | 5.9 | 18.9 | 22.2 | -0.3 | 29.4 | 20.7 | 9.1 | 12.2 | 9.7 |
| Energy | 20.5 | 6.3 | 17.9 | 28.4 | 16.0 | 4.7 | 16.7 | 22.1 | -2.2 | 29.0 | 13.4 | 9.0 | 12.1 | 9.1 |
| Comm. Services | 19.0 | 6.1 | 15.3 | 26.1 | 15.2 | 3.4 | 16.3 | 21.0 | -8.4 | 27.9 | 10.7 | 8.1 | 11.6 | 8.0 |
| Consumer Staples | 14.1 | 4.7 | 15.0 | 25.6 | 9.8 | -1.5 | 13.8 | 13.5 | -12.5 | 27.6 | 11.1 | 3.2 | 11.3 | 7.3 |
| Financials | 12.1 | 2.4 | 14.8 | 25.1 | 9.7 | -2.5 | 6.0 | 12.1 | -13.0 | 26.3 | 0.5 | 3.1 | 10.4 | 7.3 |
| Information Technology | 10.2 | -0.6 | 10.8 | 13.2 | 6.9 | -4.8 | 5.4 | 10.8 | -13.3 | 24.6 | -1.7 | 2.8 | 10.0 | 7.2 |
| Utilities | 5.5 | -9.8 | 4.6 | 11.5 | 3.0 | -8.4 | 3.4 | -1.0 | -14.7 | 20.8 | -2.2 | 2.0 | 9.5 | 5.0 |
| Health Care | 2.9 | -17.1 | 1.3 | 1.6 | -7.8 | -21.1 | -2.7 | -1.3 | -18.1 | 11.8 | -33.7 | 1.1 | -1.6 | -0.9 |

- **Consumer Discretionary** is represented by the S&P 500® Consumer Discretionary Index.
- **Consumer Staples** is represented by the S&P 500® Consumer Staples Index.
- **Energy** is represented by the S&P 500® Energy Index.
- **Financials** is represented by the S&P 500® Financials Index.
- **Health Care** is represented by the S&P 500® Health Care Index.
- **Industrials** is represented by the S&P 500® Industrials Index.
- **Information Technology** is represented by the S&P 500® Info Tech Index.
- **Materials** is represented by the S&P 500® Materials Index.
- **Real Estate** is represented by the S&P 500® Real Estate Index.
- **Communication Services** is represented by the S&P 500® Telecomm Services Index.
- **Utilities** is represented by the S&P 500® Utilities Index.

Indexes defined on page 2.

Diversification does not guarantee against a loss, and there is no guarantee that a diversified portfolio will outperform a non-diversified portfolio.

Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown.

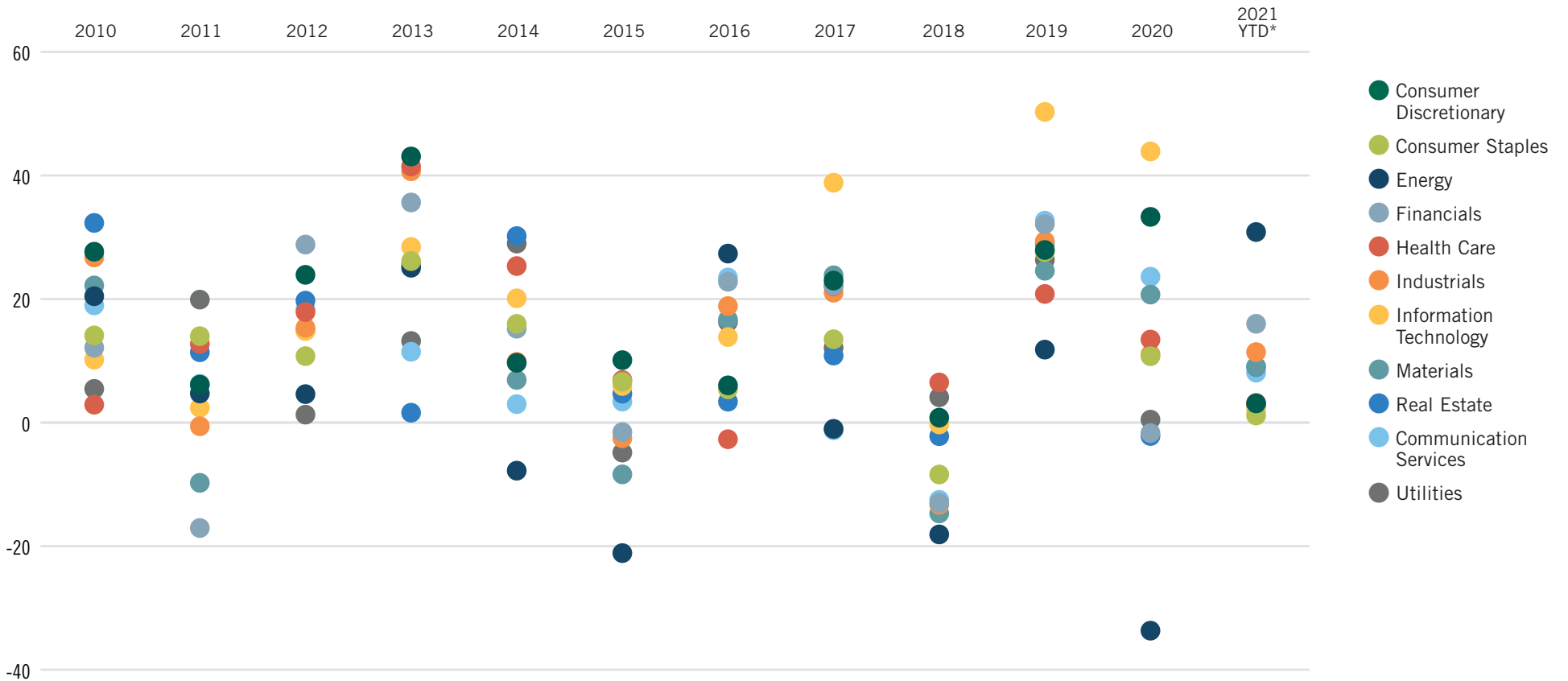
The data is presented for informational purposes only and is not meant to represent the performance of any Virtus product.

*As of 3/31/21

Source: Virtus Performance Analytics

IMPORTANT RISK CONSIDERATIONS: **Industry/Sector Concentration:** A portfolio 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. **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:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, 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.

The gap between leaders and laggards varies every year — the “experience” of diversification feels better or worse based on the size of that gap.



*As of 3/31/21

Source: Virtus Performance Analytics

The **S&P 500® Consumer Discretionary Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector. The **S&P 500® Consumer Staples Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector. The **S&P 500® Energy Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector. The **S&P 500® Financials Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector. The **S&P 500® Health Care Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector. The **S&P 500® Industrials Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector. The **S&P 500® Information Technology Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector. The **S&P 500® Materials Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector. The **S&P 500® Real Estate** comprises stocks included in the S&P 500 that are classified as members of the GICS® real estate sector. The **S&P 500® Communication Services Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector. The **S&P 500® Utilities Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector. Performance of all cited indexes is calculated on a total-return basis with dividends reinvested. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

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Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown.

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