

ASSET CLASS DIVERSIFICATION



Asset class 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
Small-Cap Growth	29.1	8.3	18.5	43.3	30.1	5.7	31.7	37.3	0.0	36.4	38.5	21.2	16.6	12.7
REITs	28.0	7.8	18.2	35.7	14.7	3.2	20.0	30.2	-1.5	35.5	35.6	13.1	14.1	11.4
Mid-Cap Growth	26.4	2.6	18.1	34.5	13.7	1.4	17.3	25.3	-4.4	31.5	34.6	11.3	13.9	11.0
Mid-Cap Value	24.8	2.1	18.1	33.5	13.5	0.5	12.0	25.0	-4.6	28.5	18.4	8.9	13.0	10.1
Small-Cap Value	24.5	0.4	17.5	33.5	13.0	-0.2	11.3	22.2	-4.8	27.1	18.3	6.2	11.1	9.1
Emerging Markets	18.9	-1.4	17.3	32.5	11.9	-0.8	11.2	21.8	-8.3	26.5	7.8	4.9	11.0	8.6
Large-Cap Growth	16.7	-1.7	16.0	32.4	6.0	-1.4	8.5	13.7	-9.3	26.0	7.5	3.5	10.1	7.6
Large-Cap Value	15.5	-2.9	15.8	22.8	5.6	-3.8	7.3	13.3	-12.3	22.4	5.0	2.3	8.6	7.1
S&P 500®	15.1	-5.5	15.3	2.5	4.2	-4.8	7.1	7.8	-12.9	22.0	4.6	0.9	5.5	4.0
Int'l	7.8	-12.1	14.6	-2.0	-2.2	-7.5	2.6	5.2	-13.8	18.4	2.8	-0.6	3.7	2.8
Fixed Income	6.5	-18.4	4.2	-2.6	-4.9	-14.9	1.0	3.5	-14.6	8.7	-8.0	-3.4	3.4	2.7

*As of 3/31/21

Source: Virtus Performance Analytics

- **Emerging Markets** are represented by the MSCI Emerging Markets Index (net).
- **Fixed Income** is represented by Bloomberg Barclays U.S. Aggregate Bond Index.
- **International** is represented by the MSCI EAFE® Index (net).
- **Large-Cap Growth** is represented by the Russell 1000® Growth Index.
- **Large-Cap Value** is represented by the Russell 1000® Value Index.
- **Mid-Cap Growth** is represented by the Russell Midcap® Growth Index.
- **Mid-Cap Value** is represented by the Russell Midcap® Value Index.
- **REITs** are represented by the FTSE Nareit Equity REITs Index.
- **Small-Cap Growth** is represented by the Russell 2000® Growth Index.
- **Small-Cap Value** is represented by the Russell 2000® Value Index.
- **S&P 500® Index**

Indexes defined on page 2.

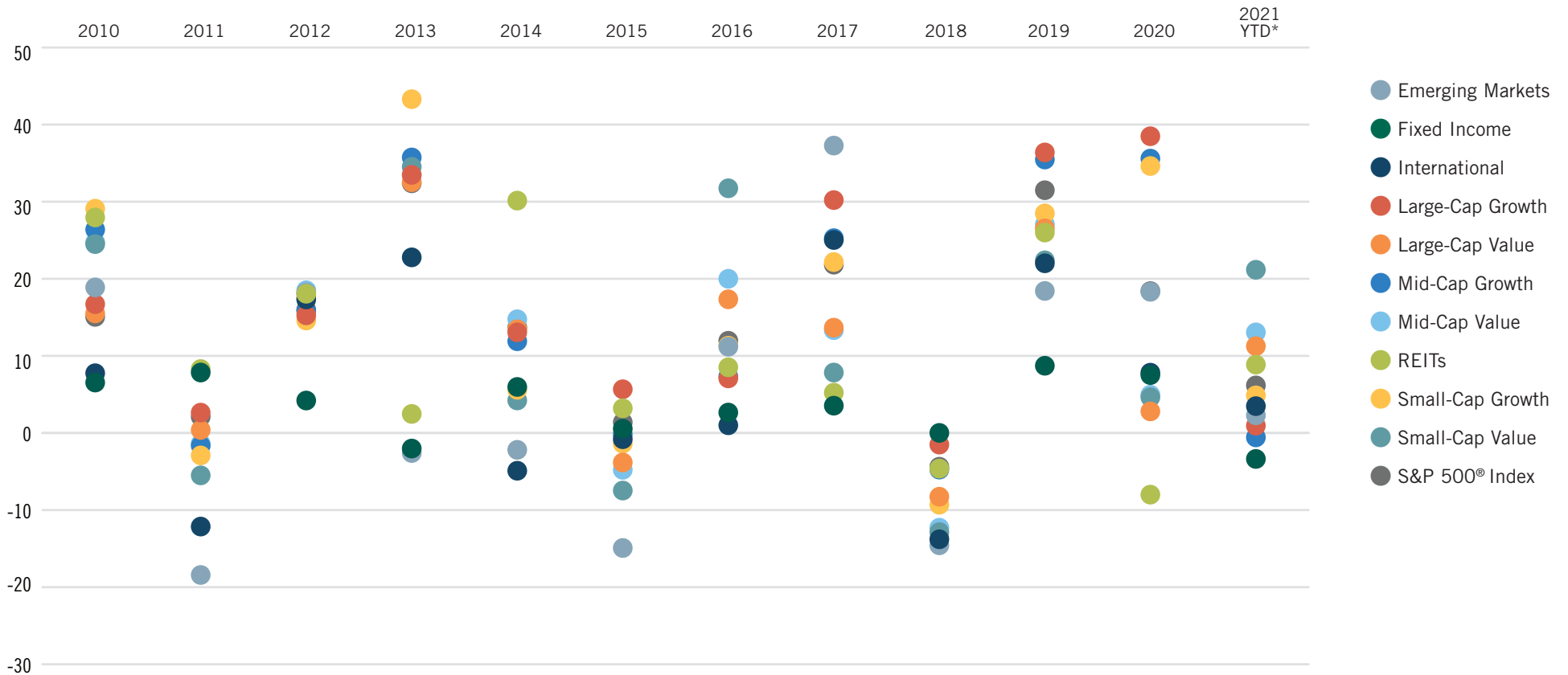
Diversification does not guarantee against a loss, and there is no guarantee that a diversified portfolio will outperform a non-diversified portfolio.

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.

IMPORTANT RISK CONSIDERATIONS: **Foreign & Emerging Markets:** Investing in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **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. **Real Estate Investment:** Investing in REITs may be negatively affected by factors specific to the real estate market, including interest rate, leverage, property, and management. **Credit & Interest:** Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **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

MSCI Emerging Markets Index (net): A free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. **Bloomberg Barclays U.S. Aggregate Bond Index:** Measures the U.S. investment grade fixed rate bond market. **MSCI EAFE Index (net):** A free float-adjusted market capitalization-weighted index that measures developed foreign market equity performance, excluding the U.S. and Canada. **Russell 1000® Growth Index:** A market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. **Russell 1000® Value Index:** 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. **Russell Midcap® Growth Index:** A market capitalization-weighted index of medium-capitalization, growth-oriented stocks of U.S. companies. **Russell Midcap® Value Index:** A market capitalization-weighted index of medium-capitalization, value-oriented stocks of U.S. companies. **FTSE Nareit Equity REITs Index:** A free-float market capitalization-weighted index measuring equity tax-qualified real estate investment trusts, which meet minimum size and liquidity criteria, that are listed on the New York Stock Exchange, the American Stock Exchange and the Nasdaq National Market System. **Russell 2000® Growth Index:** 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. **Russell 2000® Value Index:** 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. **S&P 500® Index** is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. 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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