Virtus SGA Global Growth Fund

A: SGAAX (92836N106) | C: SGACX (92836N205) | I: SGAPX (92836N304) | R6: SGARX (92836N403)

MARKET REVIEW

Global equity markets finished the quarter down despite a strong start as concerns about interest rates staying "higher for longer" in the U.S. weighed on companies with longer duration growth and a deteriorating economic backdrop in China weighed on emerging markets stocks.

The quarter started off strongly as rising expectations for an economic soft landing in the U.S. and nascent signs of increasing Chinese stimulus efforts supported global markets in July. Chinese stocks led the way during the initial rally, and emerging markets outperformed developed markets as risk appetites were high. Optimism about a turnaround in China's economy quickly faded, however, as weak economic data and underwhelming stimulus efforts raised doubts about the sustainability of a rebound. Growth expectations improved in the U.S. but were offset by a deteriorating growth outlook in non-U.S. markets, most notably in emerging markets.

The MSCI China Index finished the quarter down over 20% from its highs in late January when optimism around the country's reopening peaked. Concerns surrounding Chinese demand also weighed on Latin American markets, which were among the worst performing in the quarter, despite moderating inflation pressures and easing monetary policies. Leading economic indicators continued to weaken in Europe as well, which combined with rising energy costs and a still restrictive European Central Bank, made Europe the worst performing region in the quarter. In contrast, the strong and improving economic growth in India provided a boost for Indian stocks during the period.

At the sector level, market leadership broadened as investors' excitement over expected artificial intelligence (AI) beneficiaries moderated. The energy sector performed best, followed by communication services, while information technology stocks lagged significantly.

PERFORMANCE

The Virtus SGA Global Growth Fund returned -2.13% (Class I) in the period, while the MSCI AC World Index returned -3.40%. Stock selection in information technology, healthcare, consumer discretionary, and communication services contributed to performance. A zero-weight in energy and stock selection in financials and consumer staples detracted from performance.

Atlassian and Novo Nordisk were among the largest stock contributors.

> Cloud-based software provider Atlassian outperformed following strong quarterly results that exceeded investor expectations. After having added to our position in the stock on weakness last quarter, we maintained a below average weight position, recognizing its valuation.

> Pharmaceutical company Novo Nordisk outperformed as positive results from the SELECT trial demonstrated that its obesity drug Wegovy cut cardiovascular risk in obese patients by 20%, setting the stage for broader insurance reimbursement of the obesity category. The company also delivered strong second-quarter results. We maintained our average weight position in the company during the quarter.

HDFC Bank and AIA Group were among the largest stock detractors.

> HDFC Bank underperformed amid concerns over its completed merger with Housing Development Finance Corporation in early July. Additionally, its quarterly loan and deposit statistics were weaker than expected, and the parent entity decided to maintain excess liquidity into the merger to mitigate any withdrawal risks. However, most of this noise is now behind us and the merged entity has a stronger capital base and improved liquidity. We remain confident in the opportunity ahead for HDFC Bank and view it as being well positioned to benefit from growing demand for banking services in India.

> China-based insurer AIA Group was negatively impacted by concerns over the disappointing pace of China's economic rebound and the company's future growth opportunity there. However, the company reported a rebound in its new sales with the value of new business rising. While we recognize the difficult macro-economic environment in China, we view AIA as a resilient business with strong growth prospects both within and outside of China (about 45% of the company's business is based outside of China/Hong Kong), and we maintained a below-average weight position in the company.

PORTFOLIO CHANGES

During the quarter, we initiated a new position in Universal Music Group while liquidating positions in Adobe and Intuitive Surgical to manage valuation risk as they had rebounded strongly and now look expensive based on our cash flow valuation metrics.

OUTLOOK

With the unprecedented monetary and fiscal stimulus applied during COVID, the significant supply chain blockages, and demographics constricting labor force growth, this positive economic cycle has defied expectations. While impossible to predict the market's path over the next six to 12 months, we continue to see potential for slower macroeconomic and profit growth ahead given the lagged effects of the significant monetary tightening.

Additionally, growth expectations for the next couple of years remain above the long-term trend, and somewhat optimistic, in our view, given continued restrictive monetary policies in the developed world, tighter lending and credit standards, rising energy costs, depleting consumer savings, and weakening demand from China.

While certainly not immune to macroeconomic forces, our approach has traditionally excelled in periods of slowing economic growth and increased uncertainty. We believe our focus on companies with the combination of recurring revenue, sustainable growth, and high business quality—coupled with an emphasis on valuation—offers the potential to benefit our clients in the years ahead.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER

Sustainable Growth Advisers, LP

PORTFOLIO MANAGERS

Hrishikesh (HK) Gupta
Industry start date: 2009
Start date as Fund Portfolio Manager: 2021

Kishore Rao
Industry start date: 1997
Start date as Fund Portfolio Manager: 2022

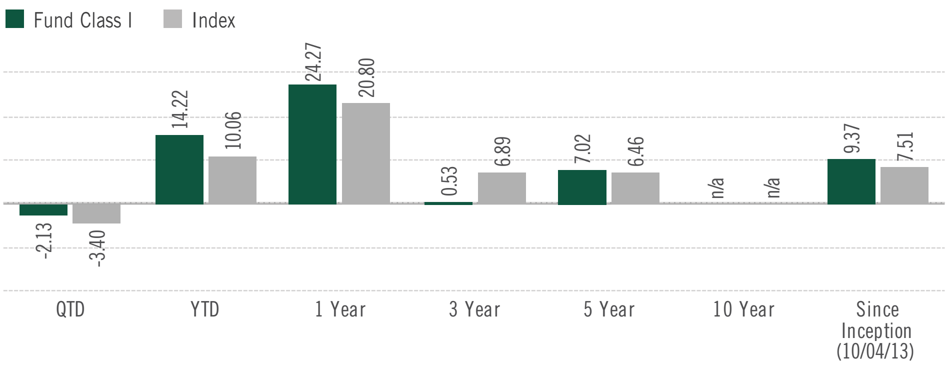
Robert L. Rohn
Industry start date: 1983
Start date as Fund Portfolio Manager: 2010

TOP TEN HOLDINGS

TOP TEN HOLDINGS	% Fund
Microsoft Corp.	4.93
Amazon.com Inc.	4.52
Visa Inc.	4.44
HDFC Bank Ltd.	4.27
Workday Inc.	3.68
Novo Nordisk A/S	3.59
S&P Global Inc.	3.58
MSCI Inc.	3.34
Icon PLC	3.17
Steris PLC	3.16

Holdings are subject to change.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/23



TOP FIVE CONTRIBUTORS

TOP FIVE CONTRIBUTORS	% Contribution
Atlassian Corp.	0.50
Novo Nordisk A/S	0.41
Intuit Inc.	0.37
Alphabet, Inc. Cl C	0.32
MSCI Inc.	0.27

TOP FIVE DETRACTORS

TOP FIVE DETRACTORS	% Contribution
HDFC Bank Ltd.	-0.70
AIA Group Ltd.	-0.47
Microsoft Corp.	-0.36
Heineken NV	-0.35
S&P Global Inc.	-0.33

% Contribution: Absolute weighted contribution.

To obtain the top/bottom holdings calculation methodology, call 800-243-4361.

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.

The fund class gross expense ratio is 1.16%. The net expense ratio is 1.08%, which reflects a contractual expense reimbursement in effect through 1/31/2024.
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.

Index: The **MSCI AC World Index (net)** is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

The **MSCI China Index** captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 717 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.

Notes on 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, medium, or large-sized companies may enhance that risk. **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. **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. **Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a portfolio with a greater number of securities. **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 portfolio. **Technology Concentration:** Because the portfolio is presently heavily weighted in the technology sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification. **ESG:** The portfolio's consideration of ESG factors could cause the portfolio to perform differently from other portfolios. While the subadviser believes that the integration of ESG factors into the portfolio's investment process has the potential to contribute to performance, ESG factors may not be considered for every investment decision and there is no guarantee that the integration of ESG factors will result in better performance. **Currency Rate:** Fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of the portfolio's shares. **Depositary Receipts:** Investments in foreign companies through depositary receipts may expose the portfolio to the same risks as direct investments in securities of foreign issuers. **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 professional, call 800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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