

INVESTMENT OVERVIEW

The Fund seeks to generate attractive risk-adjusted long-term returns, consisting of both capital appreciation and current income, by investing in a diversified stock portfolio of high-quality, mature businesses with a history of consistent, robust dividend yields. A disciplined investment process is employed to identify businesses that are differentiated by above-average returns on capital and trading at attractive valuations.

KEY FEATURES

High-Quality Businesses — Searches for quality dividend-paying companies 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

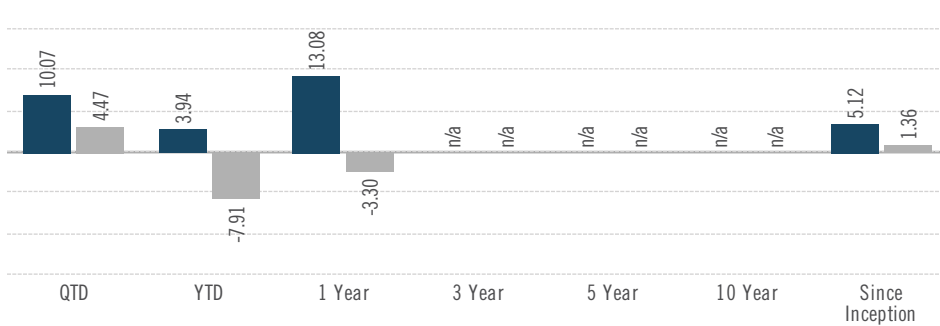
High-Conviction Portfolio — Focused on the portfolio team's 25-50 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value potential

FUND INFORMATION

| | Ticker | CUSIP |
|-----------|--------|-----------|
| A Shares | PDIAX | 92828N874 |
| C Shares | PGICX | 92828N858 |
| I Shares | PXIIX | 92828N841 |
| R6 Shares | VECRX | 92828N239 |

| | |
|----------------------|--|
| Inception Date | 01/30/18 |
| AUM (\$ millions) | 131.2 |
| Number of Holdings | 35 |
| Dividends | Semi-Annually |
| Morningstar Category | Large Blend |
| Lipper Category | Large-Cap Core Funds |
| Index | MSCI USA High Dividend Yield Index (net) |

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/20



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.

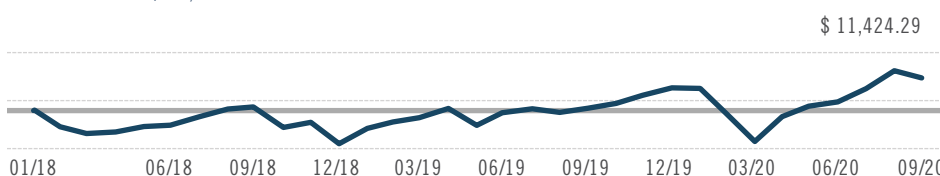
The fund class gross expense ratio is 1.03%. The net expense ratio is 0.91%, which reflects a contractual expense reimbursement in effect through 1/31/2022.

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 (%)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|-------|-------|------|------|------|------|------|------|------|------|------|
| Fund | 28.48 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Index | 21.26 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 1/30/2018. As of 9/30/2020 the fund value would have been \$11,424.29. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Effective September 1, 2020, the Fund changed its name from Virtus Rampart Enhanced Core Equity Fund to Virtus KAR Equity Income Fund. The Fund's portfolio managers, principal investment strategies, and certain principal risks have been revised. Please see the prospectus for more information.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Kayne Anderson Rudnick

A VIRTUS INVESTMENT PARTNER

Kayne Anderson Rudnick believes that superior risk-adjusted returns may be achieved through investment in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

PORTFOLIO MANAGER

Richard Sherry, CFA

Industry start date: 1991

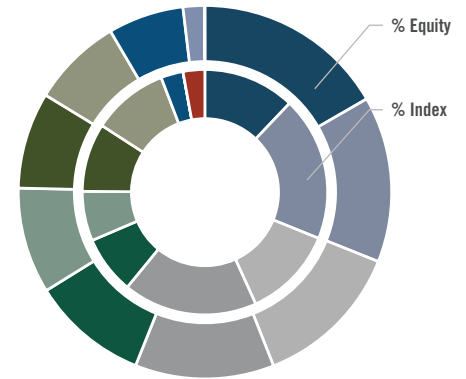
Start date as Fund Portfolio Manager: 2020

| CHARACTERISTICS | Fund | Index |
|-----------------------------------|--------|--------|
| Avg. Weighted Market Cap (bn) | 100.36 | 142.27 |
| Median Market Cap (bn) | 51.68 | 25.79 |
| Trailing P/E Ex-Negative Earnings | 17.86 | 18.02 |
| Price-to-Cash Flow | 14.37 | 14.27 |
| Price-to-Book Value | 5.06 | 5.14 |
| 3-Year EPS Growth Rate | 7.06 | 5.91 |
| 5-Year EPS Growth Rate | 5.67 | 7.46 |
| Active Share | 63.81 | n/a |

| TOP TEN HOLDINGS | % Fund |
|--------------------------------------|--------|
| Watsco Inc | 5.30 |
| International Business Machines Corp | 4.76 |
| Verizon Communications Inc | 4.29 |
| 3M Co | 4.07 |
| Patterson Cos Inc | 3.83 |
| GlaxoSmithKline PLC | 3.49 |
| Eastman Chemical Co | 3.47 |
| Cisco Systems Inc | 3.43 |
| Southern Co/The | 3.27 |
| AT&T Inc | 3.23 |

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



| Sector | % Equity | % Index |
|------------------------|----------|---------|
| Industrials | 16.68 | 12.11 |
| Health Care | 14.38 | 19.03 |
| Information Technology | 12.96 | 12.08 |
| Consumer Staples | 12.04 | 17.69 |
| Utilities | 10.11 | 7.66 |
| Communication Services | 9.18 | 6.55 |
| Consumer Discretionary | 8.36 | 9.02 |
| Financials | 7.84 | 10.05 |
| Materials | 6.56 | 2.92 |
| Real Estate | 1.89 | 0.00 |
| Energy | 0.00 | 2.87 |

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. **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 fund with a greater number of securities. **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.

Prospectus: For additional information on risks, please see the fund's prospectus.

GLOSSARY

Avg. Weighted Market Cap (bn): The total dollar market value of all of a company's outstanding shares. **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.

INDEX DEFINITION

Index: The MSCI USA High Dividend Yield Index is based on the MSCI USA Index, its parent index, and includes large and mid cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends. The index is calculated on a total return basis with net dividends reinvested; it is unmanaged; its returns do not reflect any fees, expenses or sales charges; and it is not available for direct investment.

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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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