

THE UPSIDE OF LOWER DOWNSIDE



Investing may be simple, but it isn't easy. We're told to buy equities and hold them through good markets and bad. But few of us have the fortitude to calmly stay fully invested when prices are declining.

Good news: Instead of riding the markets all the way up and all the way down, investors may achieve better outcomes by playing defense.

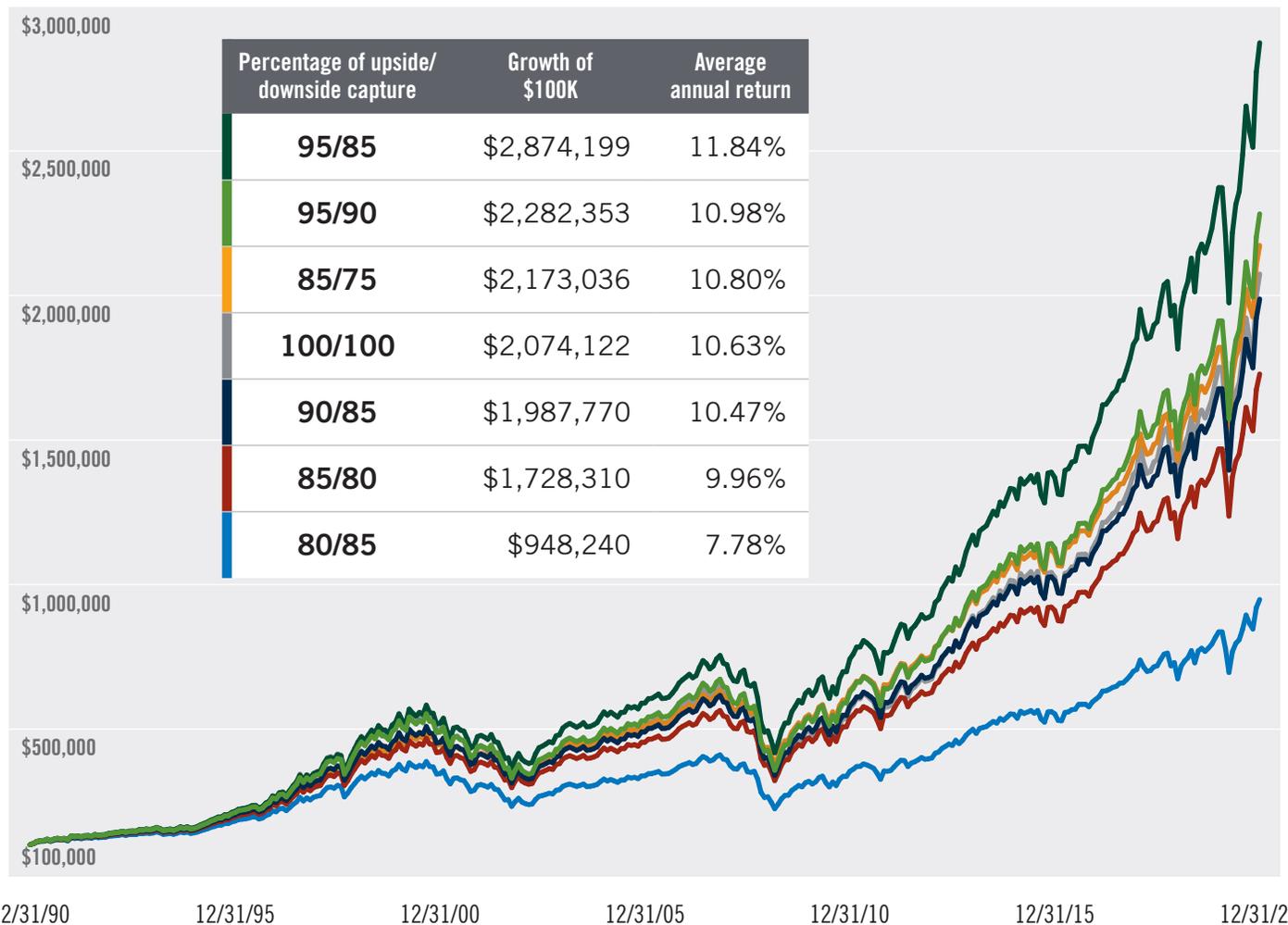
By capturing most—but not all—of the market's gains during positive months and limiting losses during negative months, a hypothetical actively managed portfolio was able to outpace or keep pace with a passive investment in the S&P 500® Index.

The bottom line: When it comes to investing, your best offense is a great defense.

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S&P 500® INDEX—AVERAGE ANNUAL RETURNS AND GROWTH OF \$100,000

December 31, 1990 through December 31, 2020



Past performance is not indicative of future results. Data is as of 12/31/20. Data is obtained from Ned Davis Research and is assumed to be reliable. Hypothetical portfolios are for illustrative purposes only and not representative of any Virtus strategy. Performance of the 95/85 Portfolio represents 95% of the gains of the S&P 500® Index and 85% of its losses. Performance of the 95/90 Portfolio represents 95% of Index gains and 90% of its losses. Performance of the 85/75 Portfolio represents 85% of the gains of the S&P 500® Index and 75% of its losses. The 100/100 Portfolio represents being fully invested in the S&P 500® Index. Performance of the 90/85 Portfolio represents 90% of Index gains and 85% of its losses. Performance of 85/80 Portfolio represents 85% of Index gains and 80% of its losses. Performance of 80/85 Portfolio represents 80% of Index gains and 85% of its losses. © 2021 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All rights reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/. The **S&P 500® Index** is a free-float market-capitalization weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its return does not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

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