Virtus Zevenbergen Innovative Growth Stock Fund

A: SAGAX, I: SCATX, R6: VZGRX

VIRTUS FUNDS

High-Growth, High-Conviction Portfolio

An all-cap strategy searching for companies poised to benefit from groundbreaking technologies, services, and innovations through a concentrated portfolio of the management team's strongest investment ideas.

Strongly Independent Research

Applies extensive bottom-up analysis and a deep understanding of the companies—especially the people behind them—based on venture capital investor-type criteria to uncover true industry innovators.

A Long-term View

The Fund looks to hold investments for long periods of time and has offered strong growth potential to patient investors comfortable with volatility and occasional significant market drawdowns.

ZVNBRGN®
zevenbergen capital investments

"At Zevenbergen, we search for companies that are shaping the future. Our research-intensive approach looks for firms with strong fundamentals, led by exceptional people, that are prompting disruptive business landscape changes, often through technological advances."

Nancy Zevenbergen, CFA, CIC
Founder, President, Chief Investment Officer

Investing in Innovators and Disruptors

The Fund's management team is focused on investing early in companies led by forward-looking entrepreneurs offering products and services with the potential to change the way we live our lives and do business. Often, this can be driven by technology, which is much more than a sector in today's growth market—it is helping firms revolutionize a wide range of businesses, create new markets, expand distribution, reduce costs, and capture greater profitability potential.

TECHNOLOGY

- Innovative software services • Expanded social media • Shift to the cloud
- Teleconferencing, telecommuting, and distance education adoption

CONSUMER DISCRETIONARY

- New business models • Increased data mining
- Highly targeted sales strategies • Streamlined product delivery

HEALTHCARE

- Highly customized therapies • More effective data analysis
- Telehealth adoption and stronger communications
- New healthy living applications

FINANCIAL SERVICES

- New providers • Enhanced automation
- Peer-to-peer lending capacity
- Stronger and faster credit analysis • Expanded profitability reach

Taking a Patient View

The Fund tends to buy innovative companies early, taking a 10-year ownership view to realize full stock value potential. This offers visionary management teams the time and opportunity to produce superior long-term results.

Initial purchases tend to start small (usually 0.5-1% of the portfolio) with room to grow to much larger percentages based on company success.

"We prefer to invest in founder-led or founder-involved companies and tend to invest early in a company's life cycle when doubt and skepticism—but also opportunity—are usually the strongest. Research has shown that the most innovative, sustainably successful S&P 500® companies are those where the founder is still CEO or holds a significant role."[1]

Joseph Dennison, CFA
Portfolio Manager

TOP TEN HOLDINGS (%)

as of 12/31/23

Holding	% of portfolio	Sector	Held since[2]
Tesla Inc.	7.74	Consumer Discretionary	November 2010
MercadoLibre Inc.	7.08	Consumer Discretionary	October 2009
NVIDIA Corp.	6.27	Technology	August 2017
Shopify Inc.	5.90	Technology	November 2016
Amazon.com Inc.	5.79	Consumer Discretionary	May 2008
The Trade Desk Inc.	4.93	Consumer Discretionary	August 2018
Uber Technologies Inc.	4.51	Consumer Discretionary	May 2019
Axon Enterprise Inc.	4.05	Industrials	May 2018
Snowflake Inc.	3.74	Technology	December 2020
Advanced Micro Devices Inc.	3.63	Technology	November 2022
Total	**53.64**		

Holdings are subject to change.

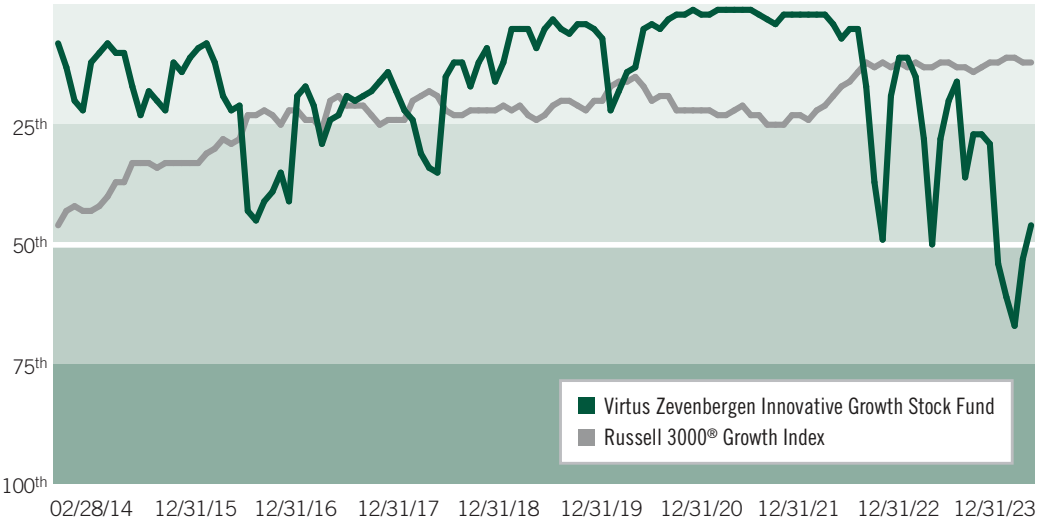
[1] Source: Lee, J.M., Kim J., Bae J., "Founder CEOs and Innovation: Evidence from S&P 500 Firms," Purdue University, Krannert School of Management, February 2016.
[2] Source: Morningstar

Magnifying Growth Potential

The Fund pursues long-term wealth creation by seeking to discover, research, and invest in game-changing companies of all sizes. The strategy is dedicated to owning innovative growth stocks for the long haul, offering a disciplined approach that has generated impressive long-term results — though at times with periods of volatility and underperformance — compared to both its benchmark and peer group.

ROLLING 10-YEAR PERFORMANCE PERCENTILE RANKINGS SINCE INCEPTION

Morningstar Large Growth Category 02/28/14—12/31/23 (119 periods)



The Fund has achieved top quartile Morningstar rankings in 80% of rolling 10-year periods since the Fund's inception, and above median results in 97% of the periods.

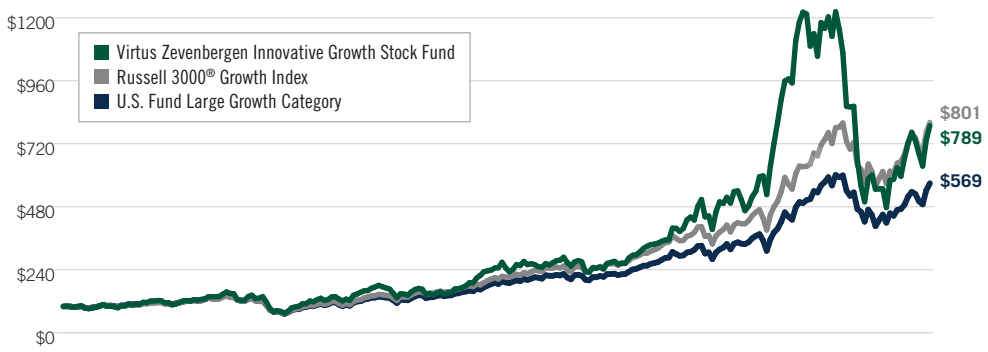
The Fund outperformed the Russell 3000® Growth Index during 71% of these periods.

Past performance is no guarantee of future results. Source: Morningstar Direct. Morningstar rankings are based on risk-adjusted returns.

Long-term Vision Requires Patience

By focusing on innovative businesses with long revenue-growth runways, the Fund has offered an attractive opportunity to investors comfortable with volatility and occasional, significant market drawdowns such as recently experienced.

INVESTMENT GROWTH AND INTRA-YEAR DRAWDOWNS SINCE INCEPTION as of 12/31/23



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
23.12	-43.53	56.24	21.71	-10.41	7.85	59.73	2.22	7.02	-2.12	34.29	11.07	37.02	119.67	-9.93	-55.31	65.58	Fund Class I Total Return (%)
-11.19	-55.71	-22.29	-16.00	-29.17	-17.87	-6.24	-18.59	-15.74	-24.22	-7.54	-30.45	-19.72	-35.91	-32.46	-57.54	-20.23	Fund Max Drawdown (%)

Past performance is no guarantee of future results. Source: Morningstar Direct.

MORNINGSTAR RANKINGS—Large Growth Category, Based on Total Return as of 12/31/23

	1 Year	3 Year	5 Year	10 Year	Since Inception (02/23/04)
Rank	7	1,095	692	378	72
Funds in Category	1,203	1,121	1,034	814	420

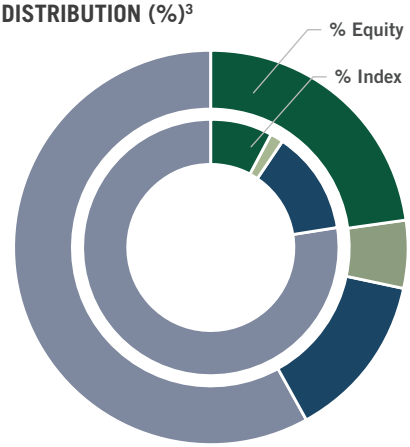
Past performance is no guarantee of future results. Source: Morningstar Direct. Number of Funds in Category may vary due to the date data is pulled. Inception: 02/23/04

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	313.03	1,050.61
Median Market Cap (bn)	30.04	2.30
Trailing P/E Ex-Negative Earnings	70.39	33.65
Price-to-Cash Flow	42.96	27.76
Price-to-Book Value	10.35	9.98
3-Year EPS Growth Rate	7.44	18.93
5-Year EPS Growth Rate	29.71	22.65
Active Share	79.81	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-20.64	n/a
Beta	1.45	1.00
R^2	0.72	1.00
Sharpe Ratio	-0.43	0.29
Standard Deviation	34.65	20.34

See glossary on page 4 for definitions of these metrics.

EQUITY MARKET CAP DISTRIBUTION (%)[3]



[3] Market capitalization ranges are determined by the largest stocks by market capitalization in the Russell 2000® Growth Russell, Russell 2500™ Growth, and Mid-Cap® Growth Indexes.

EQUITY MARKET CAP DISTRIBUTION (%)[3]	Equity	Index
Small-Cap: < $11 billion	22.93	8.04
Small-Mid Cap: $11 - $18 billion	5.65	1.68
Mid-Cap: $18 - $47 billion	13.41	12.85
Large-Cap: > $47 billion	58.01	77.43

SECTOR ALLOCATIONS (%)	Equity	Index
Consumer Discretionary	41.06	19.15
Technology	39.27	50.46
Health Care	7.95	10.77
Industrials	7.76	10.78
Real Estate	2.42	0.99
Energy	1.54	0.79
Utilities	0.00	0.40
Telecommunications	0.00	0.70
Consumer Staples	0.00	2.72
Financials	0.00	2.65
Basic Materials	0.00	0.58

Sector weightings are subject to change.

Performance (I Shares)

AVERAGE ANNUAL TOTAL RETURNS (%)

as of 12/31/23

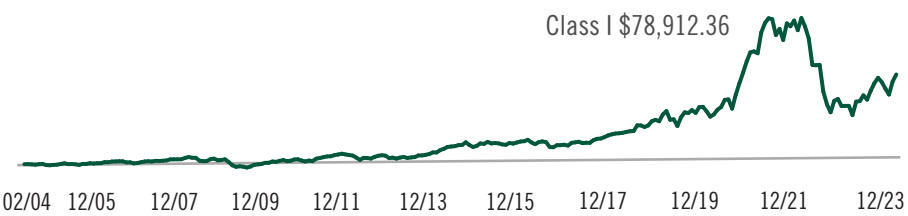
	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 02/23/04
Class I	15.80	65.58	65.58	-12.65	14.94	12.35	10.96
Russell 3000® Growth Index	14.09	41.21	41.21	8.08	18.85	14.33	11.05

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 1.15%. The net expense ratio is 1.00%, which reflects a contractual expense reimbursement in effect through 04/30/24.

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.

GROWTH OF $10,000



This chart assumes an initial investment of $10,000 made on 02/23/04. As of 12/31/23 the fund value would have been $78,912.36. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

Inception Date	02/23/04
AUM ($ millions)	532.6
Number of Holdings	36
Dividends	Semi-Annually
Morningstar Category	Large Growth
Index	Russell 3000® Growth Index

INVESTMENT SUBADVISER

ZVNBRGN®
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Zevenbergen Capital Investments LLC is a growth equity boutique. The investment team applies rigorous fundamental research to build exclusively high-growth portfolios.

PORTFOLIO MANAGERS

Nancy Zevenbergen, CFA
Industry start date: 1981
Start date as Fund Portfolio Manager: 2004

Joseph Dennison, CFA
Industry start date: 2011
Start date as Fund Portfolio Manager: 2015

Anthony Zackery, CFA
Industry start date: 2011
Start date as Fund Portfolio Manager: 2015

Index: The Russell 3000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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, medium, or large-sized companies may enhance that risk. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. **Consumer Concentration:** Because the portfolio is presently heavily weighted in the consumer sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification. **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. **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. **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. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Avg. Weighted Market Cap (bn): Sum of each security's weight within the fund (or index) multiplied by the security's market capitalization. **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. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R^2:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

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