

INVESTMENT OVERVIEW

The Fund seeks to capture the upside potential of equities with the reduced volatility of fixed income securities by investing in the most compelling U.S. dollar-denominated convertibles.

KEY FEATURES

Favorable Asymmetric Risk/Reward — Seeks to identify and invest in convertible securities with an asymmetric risk/reward profile. Convertible bonds with this structure, also known as total return convertibles, are expected to participate in the upside of the underlying equity and provide downside protection from the bond floor

Disciplined, Fundamental, Bottom-Up Research Process — Facilitates the early identification of issuers demonstrating an ability to improve their fundamental characteristics, exceed minimum credit statistics, and exhibit the highest visibility of future expected operating performance

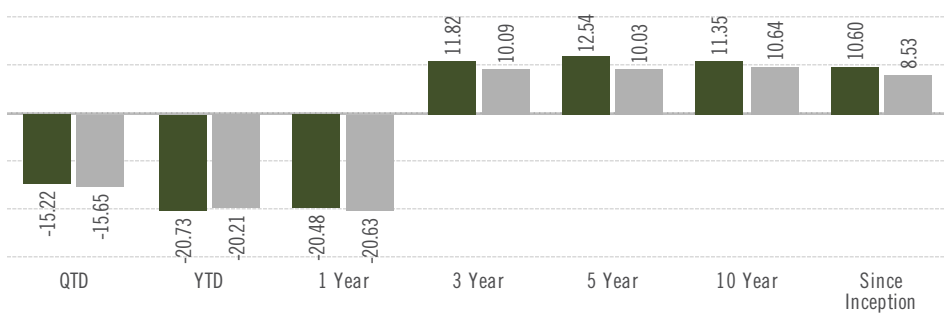
Attractive Risk/Reward Profile — Since inception, the Fund has provided equity-like returns with less volatility

FUND INFORMATION

| | Ticker | CUSIP |
|----------------------|--------|-----------|
| A Shares | ANZAX | 92838V791 |
| ADMIN Shares | ANNAX | 92838V841 |
| C Shares | ANZCX | 92838V817 |
| Institutional Shares | ANNPX | 92838V833 |
| P Shares | ANCMX | 92838V106 |
| R6 Shares | VAADX | 92838V353 |

| | |
|----------------------|--------------------------------|
| Inception Date | 04/19/93 |
| AUM (\$ millions) | 1,749.3 |
| Number of Holdings | 119 |
| Dividends | Quarterly |
| Morningstar Category | Convertibles |
| Lipper Category | Convertible Securities Funds |
| Index | ICE BofA US Convertibles Index |

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/2022



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.

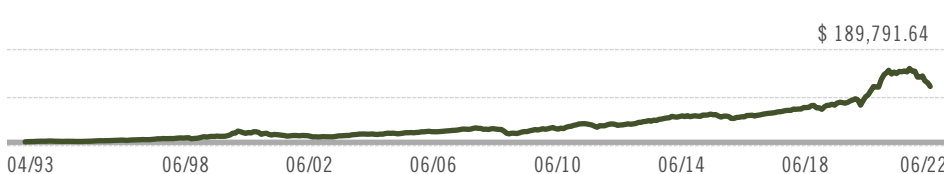
The fund class gross expense ratio is 0.80%. The net expense ratio is 0.71%, which reflects a contractual expense reimbursement in effect through 9/20/2023.

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 (%)

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------|------|-------|-------|------|-------|-------|-------|------|-------|-------|
| Fund | 5.28 | 55.82 | 26.42 | 3.01 | 15.22 | 5.87 | -1.55 | 6.68 | 25.58 | 11.96 |
| Index | 6.34 | 46.22 | 23.15 | 0.15 | 13.70 | 10.43 | -2.99 | 9.44 | 24.92 | 14.96 |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 4/19/1993. As of 6/30/2022 the fund value would have been \$189,791.64. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

MORNINGSTAR RATINGS

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| Overall | ★★★★★ | 73 |
| 3 Year | ★★★★★ | 73 |
| 5 Year | ★★★★★ | 71 |
| 10 Year | ★★★★★ | 54 |

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



INVESTMENT MANAGEMENT

Voya Investment Management strives to help investors push what's possible. As the asset management business of Voya Financial (NYSE: VOYA), Voya IM seeks to understand and anticipate client needs, delivering differentiated solutions across public and private fixed income, equity, and multi-asset platforms, including private markets and alternatives.

PORTFOLIO MANAGERS

Justin M. Kass, CFA
 Industry start date: 1998
 Start date as Fund Portfolio Manager: 2003

Michael E. Yee
 Industry start date: 1994
 Start date as Fund Portfolio Manager: 2022

David J. Oberto
 Industry start date: 2003
 Start date as Fund Portfolio Manager: 2022



The Fund (ANNPX) ranked #1 among 335 Best U.S. Taxable Bond Funds



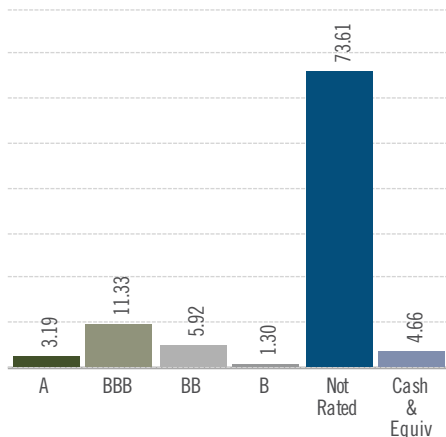
REFINITIV LIPPER FUND AWARDS

2022 WINNER UNITED STATES

The Fund (Institutional): Best Fund over 10 years among Convertible Securities Funds

Effective June 10, 2022, this Fund's name has changed.
 Effective July 25, 2022, this Fund's subadviser has changed.

RATINGS DISTRIBUTION % Fund



CHARACTERISTICS Fund

| | |
|--|------|
| 30-day SEC Yield ¹ | 2.39 |
| 30-day SEC Yield (unsubsidized) ² | 2.25 |

¹ 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

² 30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.

TOP TEN HOLDINGS % Fund

| | |
|--|------|
| Broadcom Inc 8.00 % Cum Conv Pfd Registered Shs 2019-30.09.22 Series A | 2.07 |
| Cloudflare, Inc. 0.0% 15-aug-2026 | 1.97 |
| Live Nation Entertainment, Inc. 2.0% 15-feb-2025 | 1.86 |
| Jazz Investments I Ltd | 1.82 |
| Apollo Commercial Real Estate Finance, Inc. 4.75% 23-aug-2022 | 1.79 |
| Dexcom, Inc. 0.25% 15-nov-2025 | 1.72 |
| Snap, Inc. 0.125% 01-mar-2028 | 1.70 |
| Pioneer Natural Resources Company 0.25% 15-may-2025 | 1.67 |
| Palo Alto Networks, Inc. 0.375% 01-jun-2025 | 1.66 |
| Halozyne Therapeutics, Inc. 0.25% 01-mar-2027 | 1.64 |

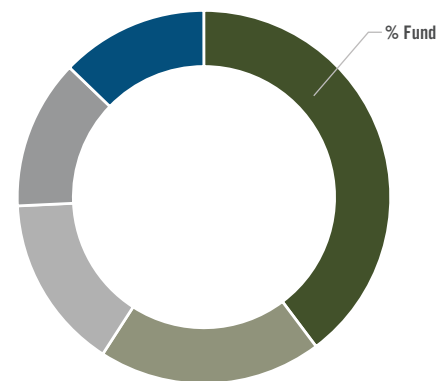
INCOME DISTRIBUTIONS NAV at Month-End

| Month | NAV at Month-End |
|-----------|------------------|
| June 2022 | \$0.057221 29.58 |

RISK STATISTICS (3 YEAR) Fund Index

| | | |
|--------------------|-------|-------|
| Alpha | 1.61 | n/a |
| Beta | 1.00 | 1.00 |
| R ² | 0.98 | 1.00 |
| Sharpe Ratio | 0.63 | 0.53 |
| Standard Deviation | 17.93 | 17.77 |

SECTOR ALLOCATIONS % Fund



| | |
|------------------------|-------|
| Technology | 31.65 |
| Healthcare | 15.41 |
| Financials | 12.05 |
| Media | 10.31 |
| Consumer Discretionary | 10.18 |

Holdings and sector weightings are subject to change.

IMPORTANT RISK CONSIDERATIONS

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. Price changes may be short- or long-term. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio's manager(s) to invest the portfolio's assets as intended. **Issuer Risk:** The portfolio will be affected by factors specific to the issuers of securities and other instruments in which the portfolio invests, including actual or perceived changes in the financial condition or business prospects of such issuers. **Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **Interest Rate:** The values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities. **Counterparties:** There is risk that a party upon whom the portfolio relies to complete a transaction will default. **Credit Risk:** If the issuer of a debt instrument fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline. **Prepayments/Calls:** If issuers prepay or call fixed rate obligations when interest rates fall, it may force the portfolio to reinvest at lower interest rates. **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. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

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. **R²:** 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.

INDEX DEFINITION

Index: The ICE BofA US Convertibles Index tracks the performance of publicly issued US dollar denominated convertible securities of U.S. companies. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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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RATINGS DISTRIBUTION METHODOLOGY

Credit ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of the issuers of the underlying securities and not to the Fund or its shares. Ratings are measured using a scale that ranges from AAA (highest) to NR (not rated). Not rated securities do not necessarily indicate low quality. The security's credit rating does not eliminate risk and credit ratings are subject to change. Credit Quality reflects the higher of the ratings of Standard & Poor's Corporation and Moody's Investors Service, Inc. Only one rating will be utilized if only one is available. Ratings are then adjusted to the Standard & Poor's rating tiers shown.

Morningstar Rating™ for funds, or 'star rating,' is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effect of sales charges and loads.

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