

INVESTMENT OVERVIEW

The Fund seeks total return comprised of current income, current gains, and capital appreciation through a U.S.-focused multi-asset approach that entails a three-sleeve allocation to large-cap stocks, convertibles, and high yield bonds.

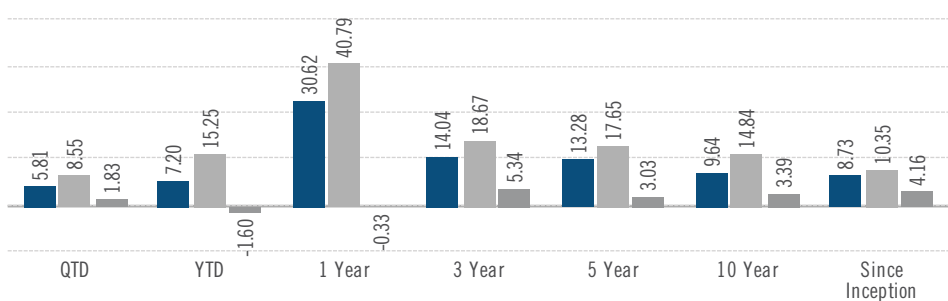
KEY FEATURES

Steady Stream of Income — By accessing three distinct asset classes, the Fund aims to deliver consistent, high income, the potential for capital appreciation, dampened volatility compared to equities, and a lower sensitivity to interest rates, relative to investment grade bonds

Multiple Opportunities for Income and Growth Potential — High-quality, large-cap stocks may offer principal growth potential and dividend income
Convertible bonds provide current income potential and can potentially deliver unlimited upside with less downside participation than stocks
High yield bonds tend to have a high coupon and have historically exhibited much less volatility than stocks

Capital Structure Opportunity — Unique three-sleeve approach provides discretion to select the most attractive opportunity investment, exhibiting an optimal total return profile, within the capital structure

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/21



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.

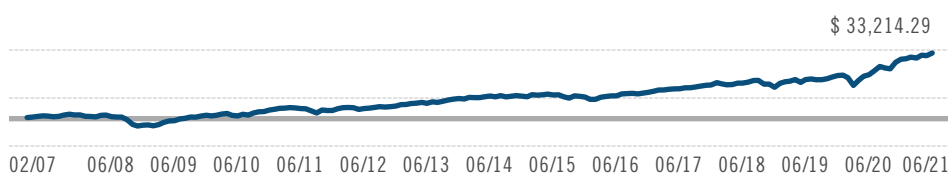
The fund class gross expense ratio is 0.88%.

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 (%)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Fund | 23.36 | 20.23 | -3.82 | 13.87 | 9.84 | -1.86 | 5.06 | 19.21 | 12.63 | -1.26 |
| Index 1 | 18.40 | 31.49 | -4.38 | 21.83 | 11.96 | 1.38 | 13.69 | 32.39 | 16.00 | 2.11 |
| Index 2 | 7.51 | 8.72 | 0.01 | 3.54 | 2.65 | 0.55 | 5.97 | -2.02 | 4.22 | 7.84 |

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 2/28/2007. As of 6/30/2021 the fund value would have been \$33,214.29. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Effective February 1, 2021, this fund's name and investment adviser have changed. The fund's distributor is now VP Distributors, LLC.

FUND INFORMATION

| | Ticker | CUSIP |
|----------------------|--------|-----------|
| A Shares | AZNAX | 92837N584 |
| C Shares | AZNCX | 92837N576 |
| Institutional Shares | AZNIX | 92837N535 |
| P Shares | AIGPX | 92837N543 |

| | |
|----------------------|--|
| Inception Date | 02/28/07 |
| AUM (\$ millions) | 7,008.2 |
| Number of Holdings | 508 |
| Dividends | Monthly |
| Morningstar Category | Allocation--30% to 50% Equity |
| Lipper Category | Flexible Portfolio Funds |
| Index 1 | S&P 500® Index |
| Index 2 | Bloomberg Barclays U.S. Aggregate Bond Index |

MORNINGSTAR RATINGS

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| Overall | ★★★★★ | 480 |
| 3 Year | ★★★★★ | 480 |
| 5 Year | ★★★★★ | 430 |
| 10 Year | ★★★★★ | 272 |

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

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER

Allianz 
Global Investors

At Allianz Global Investors, active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs.

Active is: Allianz Global Investors

PORTFOLIO MANAGERS

Douglas G. Forsyth, CFA
Industry start date: 1991
Start date as Fund Portfolio Manager: 2007

Michael E. Yee
Industry start date: 1994
Start date as Fund Portfolio Manager: 2007

Justin M. Kass, CFA
Industry start date: 1998
Start date as Fund Portfolio Manager: 2007

David J. Oberto
Industry start date: 2003
Start date as Fund Portfolio Manager: 2020

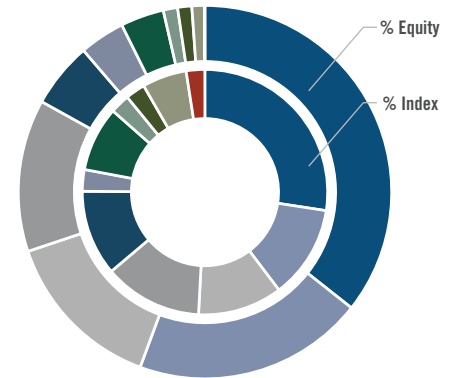
| CHARACTERISTICS | Fund | Index |
|-----------------------------------|--------|--------|
| Avg. Weighted Market Cap (bn) | 561.80 | 542.79 |
| Median Market Cap (bn) | 69.09 | 30.22 |
| Trailing P/E Ex-Negative Earnings | 34.76 | 27.18 |
| Price-to-Cash Flow | 31.72 | 25.30 |
| Price-to-Book Value | 11.21 | 7.89 |
| 3-Year EPS Growth Rate | 21.64 | 18.76 |
| 5-Year EPS Growth Rate | 16.31 | 13.24 |
| Active Share | 72.37 | n/a |
| S&P 500® Index | | |

| RISK STATISTICS (3 YEAR) | Fund | Index |
|-----------------------------|-------|-------|
| Alpha | 0.21 | n/a |
| Beta | 0.72 | 1.00 |
| R ² | 0.90 | 1.00 |
| Sharpe Ratio | 0.92 | 0.95 |
| Standard Deviation | 13.87 | 18.26 |
| S&P 500® Index | | |

| TOP TEN HOLDINGS | % Fund |
|---------------------------------|--------|
| Alphabet Inc. Class A | 1.80 |
| Facebook, Inc. Class A | 1.76 |
| Microsoft Corporation | 1.72 |
| Apple Inc. | 1.48 |
| Amazon.com, Inc. | 1.47 |
| Tesla Inc | 0.90 |
| Visa Inc. Class A | 0.82 |
| Home Depot, Inc. | 0.80 |
| NVIDIA Corporation | 0.79 |
| Mastercard Incorporated Class A | 0.74 |

| DISTRIBUTIONS | NAV at Month-End |
|---------------|------------------|
| Month | |
| April 2021 | \$0.013560 13.64 |
| May 2021 | \$0.016000 13.49 |
| June 2021 | \$0.019277 13.82 |

SECTOR ALLOCATIONS



| | % Equity | % Index |
|------------------------|----------|---------|
| Information Technology | 35.64 | 27.42 |
| Consumer Discretionary | 20.02 | 12.28 |
| Communication Services | 14.21 | 11.14 |
| Health Care | 13.20 | 12.99 |
| Financials | 5.66 | 11.28 |
| Energy | 3.93 | 2.85 |
| Industrials | 3.74 | 8.54 |
| Real Estate | 1.25 | 2.58 |
| Materials | 1.23 | 2.60 |
| Consumer Staples | 1.12 | 5.86 |
| Utilities | 0.00 | 2.45 |

Holdings and sector weightings are subject to change. S&P 500® Index

IMPORTANT RISK CONSIDERATIONS

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. **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. **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. **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. **Unrated Fixed Income Securities:** If the quality of an unrated fixed income security is not accurately assessed, the portfolio may invest in a security with greater risk than intended. **Debt Instruments:** Debt instruments are subject to greater levels of credit and liquidity risk, may be speculative and may decline in value due to changes in interest rates or an issuer's or counterparty's deterioration or default. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **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. **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.

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.

Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

Mutual funds distributed by **VP Distributors, LLC**, member FINRA and subsidiary of Virtus Investment Partners, Inc.

INDEX DEFINITION

Index 1: 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 returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Index 2: The Bloomberg Barclays U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. 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.

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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