

**MORNINGSTAR RATINGS AND PEER GROUP RANKINGS** as of 12/31/23  
 Institutional shares (VIMCX) rated within Mid-Cap Growth category

Overall Rating ★★★★★ (Out of 523 Funds)				
Time Period	# of Stars	# of Funds	Time Period	Percentile Ranking
3 Year	★★★★★	523	1 Year	37th
5 Year	★★★★★	492	5 Year	11th
10 Year	★★★★★	395	10 Year	4th
			Since inception (06/22/09)	8th

**Ranking/ # of Peers**

202/553  
50/492  
12/395  
48/695

**Morningstar ratings** are based on risk-adjusted returns. **Morningstar rankings** are based on fund share class total return and do not include the effect of the fund's sales load, if applicable. Each fund is ranked within a universe of funds similar in portfolio characteristics and capitalization. Strong ratings or rankings are not indicative of positive fund performance.

## Pursuing the Power of Mid-Caps

Mid-cap stocks have historically offered favorable complementary attributes compared to their large- and small-cap counterparts yet are often underrepresented in many investors' portfolios.

## Driven by Fundamentals

Kayne Anderson Rudnick (KAR) applies its rigorous, bottom-up research process, refined over 30 years, to identify high-quality U.S. mid-cap companies with attractive, long-term investment potential.

## High-Quality, High-Conviction Approach

The Fund invests in the portfolio team's 25-35 strongest investment opportunities, with an emphasis on businesses differentiated by market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

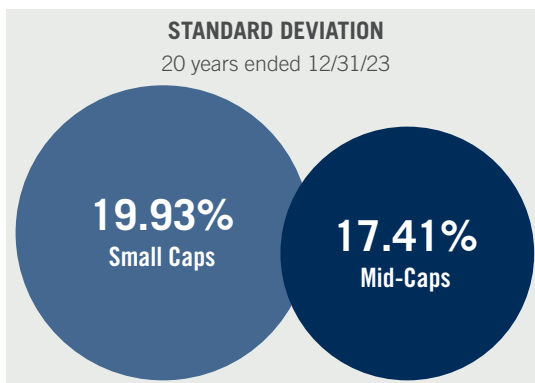
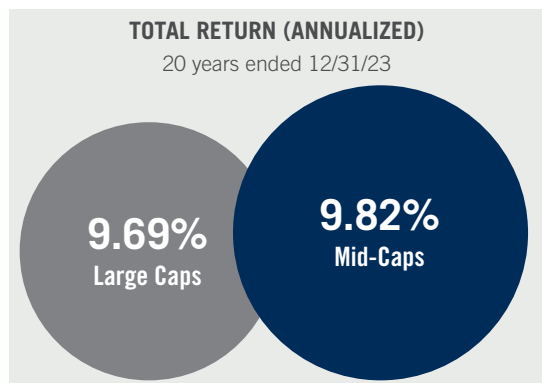


"We believe mid-cap stocks merit a meaningful allocation in any well-diversified equity portfolio. KAR offers a disciplined investment approach to the segment that has historically generated consistently compelling long-term results."

Jon Christensen, CFA  
 Start date as Fund Portfolio Manager: 2009

## Mid-Caps: A Historically Positive Contributor to an Equity Portfolio

Investors lacking a dedicated allocation to mid-cap stocks may be missing a crucial equity segment. As shown below, mid-caps outpaced large caps over the last 20 years, while exhibiting less volatility than small caps (as measured by standard deviation).



Explore the potential of a mid-cap allocation in an equity portfolio with our interactive online **Mid-Cap Allocation Tool** at [virtus.com](https://virtus.com).

**Past performance is not indicative of future results.**

Source: Morningstar Direct.

**Large Caps** are represented by the **S&P 500® Index**, 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. **Mid-Caps** are represented by the **Russell Midcap® Index**, a market capitalization-weighted index of medium-capitalization stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested. **Small Caps** are represented by the **Russell 2000® Index**, a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

## Strong Quality Characteristics

Quality businesses, as defined by KAR, have an unmistakable profile: durable earnings growth, high return on capital, healthy balance sheets and cash flows, and management acumen at maintaining a competitive advantage. The result: a portfolio that has exhibited quality characteristics well above its benchmark and peers.

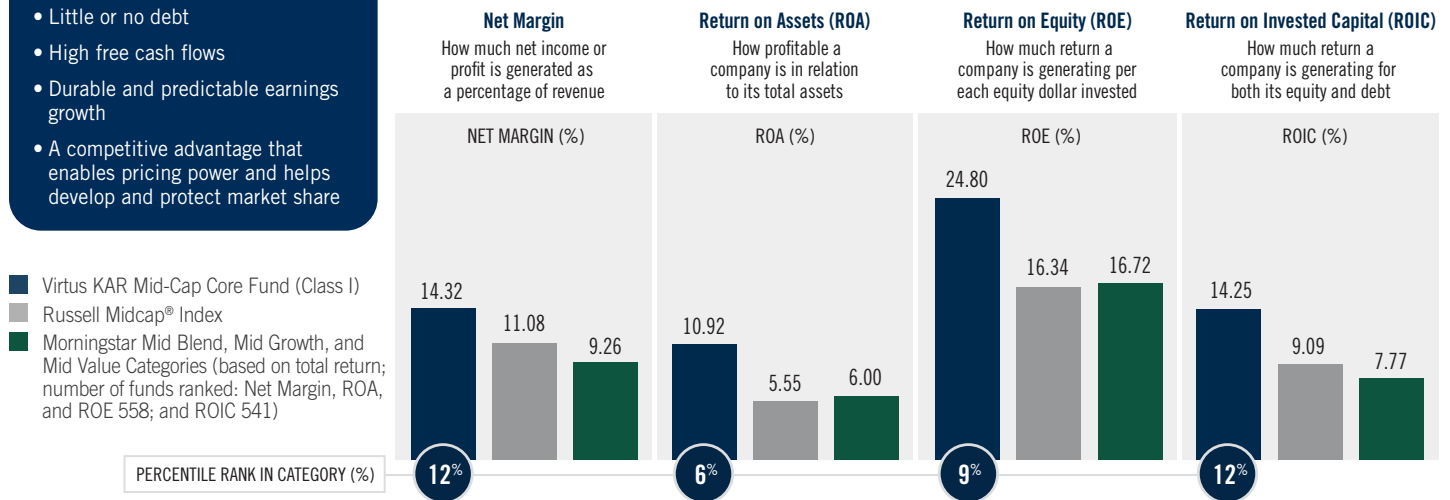
### HOW KAR DEFINES QUALITY

Companies must meet key criteria to qualify for KAR ownership:

- Little or no debt
- High free cash flows
- Durable and predictable earnings growth
- A competitive advantage that enables pricing power and helps develop and protect market share

### FOUR KEY QUALITY RATIOS TO CONSIDER

Based on average of overall portfolio holdings as of 09/30/23\*



Past performance is not indicative of future results.

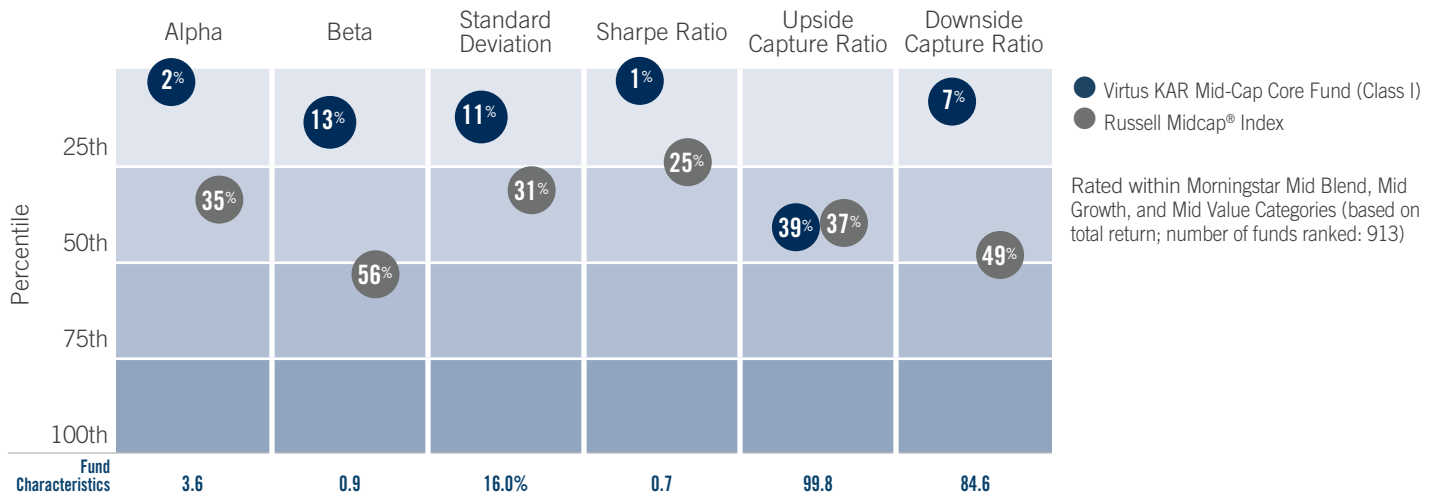
Class I shares. \*Trailing 12 months. As of 09/30/23, the most recent quarter for which these data are available. Source: Morningstar Direct. The Morningstar Percentile Ranking compares a Fund's Morningstar risk and return scores with all of the Funds in the same category, where 1% = Best and 100% = Worst. Rankings shown are for the I share. Rankings for other share classes may vary. Characteristics defined on page 4.

## Attractive Excess Returns with Solid Defense

The Virtus KAR Mid-Cap Core Fund's pursuit of high-quality companies with lower individual business risk exposures has generated considerable long-term excess returns, both relative to its benchmark and on a risk-adjusted basis. What's more, this outperformance has been delivered while helping to defend investor assets in challenging markets.

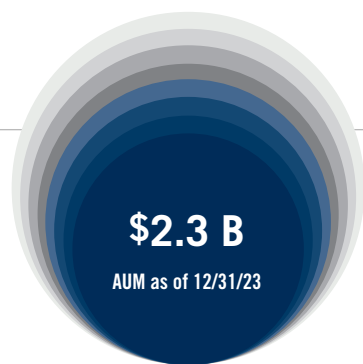
### RETURN AND RISK ATTRIBUTES

Morningstar percentile return rankings for the 10-year period ended 12/31/23



Past performance is not indicative of future results.

As of 12/31/23. Class I shares. Source: Morningstar Direct. The Morningstar Percentile Ranking compares a Fund's Morningstar risk and return scores with all of the Funds in the same category, where 1% = Best and 100% = Worst. Rankings shown are for the I share. Rankings for other share classes may vary. Characteristics defined on page 4.



## Room to Grow

With **\$2.3 billion in assets** (as of 12/31/23), the Virtus KAR Mid-Cap Core Fund has ample capacity for growth, offering investors a viable way to access KAR's historically successful investment approach in the important, yet often overlooked, mid-cap equity market.

## Performance (I Shares)

### AVERAGE ANNUAL TOTAL RETURNS (%)

as of 12/31/23

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 6/22/09
<b>Class I</b>	11.49	22.68	22.68	7.24	15.28	12.46	14.22
<b>Russell Midcap® Index</b>	12.82	17.23	17.23	5.92	12.68	9.42	13.62

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](http://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](http://virtus.com) for details.

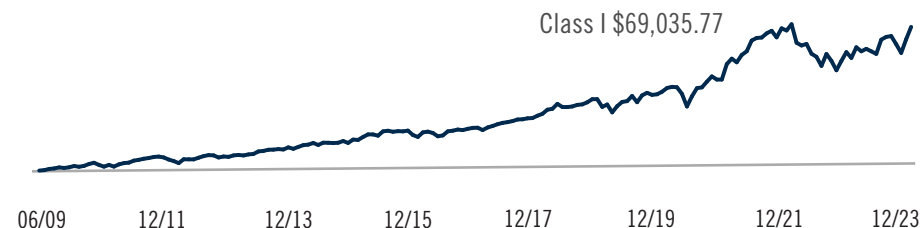
The fund class gross expense ratio is 1.06%. The net expense ratio is 0.95%, which reflects a contractual expense reimbursement in effect through 1/31/2025.

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 (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Fund</b>	22.68	-19.75	25.26	26.10	30.93	-4.17	24.95	11.29	2.40	16.51
<b>Index</b>	17.23	-17.32	22.58	17.10	30.54	-9.06	18.52	13.80	-2.44	13.22

### GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 06/22/09. As of 12/31/2023 the fund value would have been \$69,035.77. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

### CHARACTERISTICS

	Fund	Index
Avg. Weighted Market Cap (bn)	20.04	24.49
Median Market Cap (bn)	17.68	10.32
Trailing P/E Ex-Negative Earnings	33.02	18.89
Price-to-Cash Flow	27.65	17.60
Price-to-Book Value	6.56	4.31
3-Year EPS Growth Rate	15.34	14.79
5-Year EPS Growth Rate	15.94	12.74
Active Share	94.95	n/a

### RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	1.54	n/a
Beta	0.93	1.00
R <sup>2</sup>	0.90	1.00
Sharpe Ratio	0.27	0.19
Standard Deviation	18.67	19.11

See Glossary on last page for definitions of these metrics.

## TOP TEN HOLDINGS

	% Fund
AMETEK Inc.	5.86
Cooper Cos Inc/The	4.28
Monolithic Power Systems Inc.	4.28
Pool Corp.	4.20
Lamb Weston Holdings Inc.	4.14
Azenta Inc.	4.12
West Pharmaceutical Services Inc.	4.02
Ross Stores Inc.	4.01
Lennox International Inc.	3.77
Houlihan Lokey Inc.	3.76

Holdings are subject to change.

## FUND INFORMATION

Inception Date	06/22/09
AUM (\$ millions)	2,301.7
Number of Holdings	30
Dividends	Semi-Annually
Morningstar Category	Mid-Cap Growth
Index	Russell Midcap® Index

## PORTFOLIO MANAGERS



### Jon Christensen, CFA

Industry start date: 1995

Start date as Fund Portfolio Manager: 2009



### Craig Stone

Industry start date: 1989

Start date as Fund Portfolio Manager: 2009

**Index:** The Russell Midcap® Index is a market capitalization-weighted index of medium-capitalization 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. **Industrial Concentration:** Because the portfolio is presently heavily weighted in the industrial 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. **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):** The 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. **R²:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index.

**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](http://virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.**

**Not FDIC Insured | May Lose Value | Not Bank Guaranteed**

Distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

**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. **Downside Capture Ratio:** A measure of a manager's ability to retain capital as the market declines. A value below 100 indicates that a manager was able to outperform in down markets. **Upside Capture Ratio:** A measure of a manager's ability to capture rises in comparison to its benchmark. A value above 100 indicates a manager is capturing more of the market's positive movement than its benchmark.

**Morningstar:** 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.

© 2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.