

# Virtus Duff & Phelps Real Estate Securities Series



## Real Estate

Overall Morningstar Rating™ Based on risk adjusted returns as of 09/29/2017. Rating out of 230 Funds.

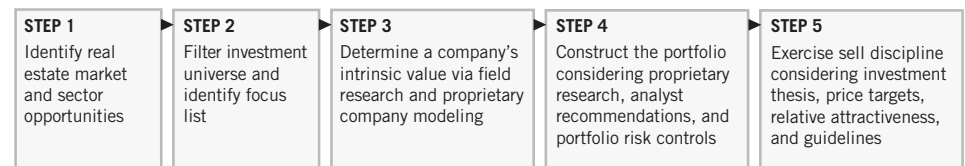
## INVESTMENT OPPORTUNITY

The portfolio utilizes a rigorous, fundamental driven investment process to identify the most attractive investment candidates. The portfolio provides exposure to the equity REITs market, which has historically had a lower correlation to traditional asset classes.

Management believes the value of a REIT extends beyond the value of the underlying real estate. Through fundamental research, the series managers strive to uncover and exploit market inefficiencies.

The team has been employing this same philosophy, process, and style for over a decade.

## INVESTMENT PROCESS



## AVERAGE ANNUAL TOTAL RETURNS Class A as of 09/29/2017 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 05/01/1995
NAV	1.72	3.33	0.80	9.19	8.98	5.88	11.84
Index	0.94	3.67	0.67	9.86	9.69	5.83	10.94

Benchmark life performance is reported from 04/28/1995

**Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.**

The fund class gross expense ratio is 1.24%. The net expense ratio is 1.16%, which reflects a contractual expense reimbursement in effect through 4/30/2018.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges.

## ANNUAL PERFORMANCE Class A in percent

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Series	-15.71	-36.88	29.11	28.00	9.87	16.98	0.90	31.62	2.38	6.82
Index	-15.69	-37.73	27.99	27.96	8.29	18.06	2.47	30.14	3.20	8.52

**Index:** The FTSE NAREIT Equity REITs Index is a free-float market capitalization-weighted index measuring equity tax-qualified real estate investment trusts, which meet minimum size and liquidity criteria, that are listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market System. 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.

**CUSIP** A shares 92829L703  
I shares 92829L844

## INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

## INVESTMENT SUBADVISER

Duff & Phelps Investment Management Co.

**AUM (\$ MILLIONS)** 78.8

**NUMBER OF HOLDINGS** 39

**DIVIDENDS** Semi-Annually

## INVESTMENT MANAGER OF THE SERIES

Duff & Phelps Investment Management Co. offers specialty investment strategies that strive to enhance client outcomes. The product mix, which includes Global Listed Infrastructure, Global Real Estate, MLPs & Energy, and International Equity, was developed from the fundamental company research expertise first established back in 1932. Today the firm continues to stand for Quality, Reliability, and Specialization.

## INVESTMENT PROFESSIONALS

Geoffrey P. Dybas, CFA

Industry start date: 1989

Start date with Series: 1998

Frank J. Haggerty, Jr., CFA

Industry start date: 1996

Start date with Series: 2007

Effective April 28, 2017 this Series changed its name from the Virtus Real Estate Securities Series.

TOP TEN HOLDINGS	% Series
Simon Property Group, Inc.	6.05
Prologis, Inc.	5.94
Digital Realty Trust, Inc.	4.62
Equinix, Inc.	4.24
AvalonBay Communities, Inc.	4.19
Duke Realty Corporation	3.65
DCT Industrial Trust Inc.	3.53
Equity Residential	3.49
Apartment Investment and Management Company Class A	3.32
Alexandria Real Estate Equities, Inc.	3.22

**RISK STATISTICS**

CLASS A 3-YEAR	Series	Index
R <sup>2</sup>	0.99	1.00
Beta	1.01	1.00
Standard Deviation	14.30	14.10
Characteristics	Series	
Average Weighted Market Cap (bn)	\$15.38	
Median Market Cap (bn)	\$7.0	
Dividend Coverage	40.52x	
Earnings Growth Rate est. 2017	6.00%	
FFO Multiple (P/E Ratio) est. 2017	18.9x	

*Holdings and Sector weightings are subject to change.*

**Morningstar** For the 3-, 5- and 10-year periods, respectively, the Fund was rated 3, 3 and 4 stars among 230, 203 and 141 funds in the Real Estate category for the time period ending 09/29/2017.

**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.

© 2017 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.

*The investments for the Series are managed by the same portfolio manager(s) who manage one or more other funds that have similar names, investment objectives and investment styles as the Series. You should be aware that the Series is likely to differ from the other mutual funds in size, cash flow pattern and tax matters. Accordingly, the holdings and performance of the Series can be expected to vary from those of the other mutual funds.*

*Shares of the separate Series of Virtus Variable Insurance Trust are sold only through the currently effective prospectuses and are not available to the general public. Shares of the VIT Series may be purchased only by life insurance companies to be used with their separate accounts which fund variable annuity and variable life insurance policies or qualified retirement plans and are also available as an underlying investment fund for certain qualified retirement plans. The performance information for the Series does not reflect fees and expenses of the insurance companies. If such fees and expenses were deducted, performance would be lower.*

**Please carefully consider the investment objectives, risks, charges, and expenses of the Series before investing. For this and other information about any Virtus Variable Insurance Trust Series, call 1-800-367-5877 or visit Virtus.com for a prospectus and/or summary prospectus. Read it carefully before you invest or send money.**

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

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

1071 10-17 © 2017 Virtus Investment Partners, Inc.

SECTOR ALLOCATIONS	% Equity
Office	17.02
Residential: Apartments	16.37
Industrial	13.11
Data Centers	11.76
Retail: Shopping Centers	7.78
Self Storage	6.43
Retail: Regional Malls	6.04
Health Care	4.69
Residential: Manufactured Homes	4.45
Diversified	3.80
Lodging/Resorts	3.22
Residential: Single Family Homes	3.17
Cash & Equivalents	2.15

**GLOSSARY**

**Dividend Coverage:** calculated by dividing the company's earning income by the dividend pay-out rate for each stock held by the portfolio.

**Earnings Growth Rate:** the company's estimated future earnings for each stock held by the portfolio.

**FFO Multiple (P/E) Ratio:** calculated by dividing the current market price by the estimated earnings (portfolios From Operations) per share for each stock held by the portfolio.

**R<sup>2</sup>:** A measurement of how closely a portfolio's performance correlates with the performance of a benchmark index.

**Beta:** A quantitative measure of the volatility of a given portfolio to the overall market. Higher beta suggests higher volatility.

**Standard Deviation:** measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

**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 or medium-sized companies may enhance that risk. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Real Estate:** The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management. **Prospectus:** For additional information on risks, please see the fund's prospectus.