

INVESTMENT OVERVIEW

The Fund seeks attractive risk-adjusted total returns by investing in North American energy infrastructure. The highly experienced portfolio team applies a disciplined, bottom-up investment process, focusing on energy Midstream Master Limited Partnerships (MLPs), General Partners (GPs), and C-Corporations that own midstream oil and natural gas assets backed by long-term, fee-based contracts.

KEY FEATURES

Extensive Fundamental Research — Pursues attractive risk-adjusted total returns and growth opportunities across the U.S. energy value chain by analyzing supply/demand trends and individual company management strength

Strong Cash Flows — Long-term contracts and exposure to rising U.S. production and exports drive strong cash flow

Quality Focus — High-conviction portfolio of 25-35 securities emphasizes geographic footprints in high-quality basins of the U.S.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2024

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	11.69	11.69	26.30	25.91	12.33	n/a	7.35
Class A NAV	11.61	11.61	26.00	25.62	12.06	n/a	7.10
Class A POP	5.47	5.47	19.07	23.27	10.80	n/a	6.40
Index	10.15	10.15	24.63	20.46	10.45	n/a	n/a

ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	11.96	30.77	44.72	-18.79	9.61	-17.16	-1.15	31.49	n/a	n/a
Index	14.02	21.53	38.42	-23.36	24.04	-13.29	n/a	n/a	n/a	n/a

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.

Class I Shares have no sales charges and are not available to all investors. The fund class gross expense ratio is 1.44%. The net expense ratio is 1.15%, which reflects a contractual expense reimbursement in effect through 2/28/2025.

Class A shares have a maximum sales charge of 5.50%. A contingent deferred sales charge of 1% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid. The fund class gross expense ratio is 1.69%. The net expense ratio is 1.40%, which reflects a contractual expense reimbursement in effect through 2/28/2025.

Other share classes may have sales charges. See virtus.com for details.

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.

Index: The Alerian Midstream Energy Index is a capped, float-adjusted, market capitalization-weighted index. The index is a broad-based composite of North American energy infrastructure companies that earn the majority of their cash flow from midstream activities involving energy commodities. 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.

Class I and Class A inception date: 9/9/2015.

SHARE CLASSES	Ticker	CUSIP
I Shares	VLPIX	92835M695
A Shares	VLPAX	92835M729
C Shares	VLPCX	92835M711

FUND INFORMATION

Inception Date (Class I)	09/09/15
AUM (\$ millions)	34.0
Number of Holdings	26
Dividends	Semi-Annually
Morningstar Category	Energy Limited Partnership
Index	Alerian Midstream Energy Index

The Index shown represents the Fund's performance index, which may differ from the Fund's regulatory index included in its Prospectus.

MORNINGSTAR RATINGS (CLASS I)

Time Period	# of Stars	# of Funds
Overall	★★★★★	99
3 Year	★★★★★	99
5 Year	★★★★★	89
10 Year	Not Rated	n/a

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

INVESTMENT ADVISER

Virtus Alternative Investment Advisers, Inc.

INVESTMENT SUBADVISER



Duff & Phelps Investment Management pursues specialized investment strategies with exceptional depth of resources and expertise. Since its earliest beginnings, providing research and analysis of income producing securities to Depression-era investors, the firm's attention has been set on identifying attractive opportunities through active management and fundamental research, while managing the associated risks. Today, building on a distinguished legacy, Duff & Phelps has earned a reputation as a leader in investing in Global Listed Infrastructure, Global Listed Real Estate, Clean Energy, and Diversified Real Assets.

Quality. Reliability. Specialization. Since 1932.

PORTFOLIO MANAGERS

David D. Grumhaus, Jr.

Industry start date: 1989

Start date as Fund Portfolio Manager: 2015

Rodney C. Clayton, CFA

Industry start date: 2004

Start date as Fund Portfolio Manager: 2020

CHARACTERISTICS

	Fund
30-day SEC Yield	1.39
30-day SEC Yield (unsubsidized)	1.03
30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.	
30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.	

INCOME DISTRIBUTIONS

Month	NAV at Month-End	
April 2023	\$0.150000	10.91
October 2023	\$0.250000	11.45

RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	4.21	n/a
Beta	1.03	1.00
R ²	0.95	1.00
Sharpe Ratio	1.16	0.94
Standard Deviation	20.05	18.98

TOP TEN HOLDINGS

	% Invested Assets
Cheniere Energy Inc	11.02
Targa Resources Corp	9.98
ONEOK Inc	7.40
Mplx LP	5.83
Williams Cos Inc/The	5.64
Energy Transfer LP	4.91
Plains GP Holdings LP	4.88
Enterprise Products Partners LP	4.58
Pembina Pipeline Corp	4.40
Valero Energy Corp	4.37

Holdings and sector weightings are subject to change.

OWNERSHIP STRUCTURE

	% Fund
Major Midstream Companies	42.25
MLP Affiliate & Other	21.00
Midstream MLP	16.38
Embedded General Partner	14.52
Pure Play General Partner	4.83
Cash	1.02

SECTOR ALLOCATIONS

	% Invested Assets
Diversified	43.49
Downstream/Other	14.10
Liquefied Natural Gas	11.02
Petroleum Transportation & Storage	9.70
Natural Gas Pipelines	8.02
Gathering/Processing	6.87
Electric LDC & Power	6.80

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. **Energy Industry Concentration:** The portfolio's investments are concentrated in the energy industry and presents greater risks than if the portfolio was broadly diversified over numerous sectors of the economy. **Master Limited Partnerships:** Investments in MLPs may be adversely impacted by interest rates, tax law changes, regulation, or factors affecting underlying assets. **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. **Non-Diversified:** The portfolio is not diversified and may be more susceptible to factors negatively impacting its holdings to the extent the portfolio invests more of its assets in the securities of fewer issuers than would a diversified portfolio. **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

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. **Midstream MLPs** are publicly traded limited partnerships and limited liability companies that are treated as partnerships for federal income tax purposes and operate and own assets used in transporting, storing, gathering, processing, treating, or marketing of natural gas, natural gas liquids, crude oil, and refined products. **Foreign LPs** are offshore entities organized as partnerships or limited liability companies but elect to be treated as corporations for U.S. federal income tax purposes. **MLP Affiliates & Other** consist of LLCs, Yieldcos and Limited Partnerships structured as corporations for tax purposes. LLCs are limited liability companies which hold investments in limited partner interests and may issue distributions in the form of additional shares, also known as paid-in-kind

(PIK) distributions. Yieldcos are entities structured similar to an MLP but without possession of assets that would qualify for pass-through tax treatment and thus are not treated as partnerships for federal income tax purposes. Other also includes c-corporations that hold significant midstream or downstream assets. **Pure-Play GPs** are general partners of MLPs structured as C-corporations for federal income tax purposes with either direct economic incentive distribution rights to an underlying MLP or direct ownership in an affiliated general partner entity. **Embedded GPs** are general partners of MLPs structured as C-corporations for federal income tax purposes with ownership in other assets beyond sole economic interests in an MLP. **Major Midstream** are entities that own and operate assets used in transporting, storing, gathering, processing, treating, or marketing of natural gas, natural gas liquids, crude oil, and refined products and structured as C-corporations for federal income tax purposes.

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.

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