

INVESTMENT OVERVIEW

The Fund seeks to generate attractive risk-adjusted long-term returns by investing in the stocks of emerging market small-cap companies with durable competitive advantages, excellent management, lower financial risk, and strong growth trajectories. A disciplined investment process is employed to identify businesses that are differentiated by above-average returns on capital and trading at attractive valuations.

KEY FEATURES

High-Quality Businesses — Searches for quality emerging market small-cap companies with solid balance sheets, consistent growth, profitability, and market dominant business models

Lower Volatility Approach — Extensive fundamental research favors companies with less business risk, as defined by lower earnings variability, consistent and profitable growth, high returns on capital, strong free cash flow, and a low organic need for external financing, all of which can help to protect profits in difficult markets

High-Conviction Portfolio — Focused on the portfolio team's 30-60 strongest investment opportunities, with a long-term, low-turnover approach to realize full stock value potential

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	3.92	3.92	18.69	-0.79	6.95	6.66	6.44
Class A NAV	3.82	3.82	18.37	-1.10	6.63	6.39	6.16
Class A POP	-1.89	-1.89	11.86	-2.94	5.43	5.79	5.58
Class R6	3.99	3.99	18.86	-0.69	n/a	n/a	7.59
Index	1.05	1.05	20.56	4.23	8.51	5.09	5.47

ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	21.83	-22.92	-1.65	38.88	18.28	-5.40	31.01	16.14	-16.51	0.48
Index	23.92	-18.02	18.75	19.29	11.51	-18.59	33.84	2.28	-6.85	1.01

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 1.52%. The net expense ratio is 1.50%, which reflects a contractual expense reimbursement in effect through 1/31/2025.

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 1.79%.

Class R6 Shares have no sales charges and are not available to all investors. The fund class gross expense ratio is 1.43%. The net expense ratio is 1.40%, which reflects a contractual expense reimbursement in effect through 1/31/2025.

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.

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Index: The MSCI Emerging Markets Small Cap Index (net) is a free float-adjusted market capitalization-weighted index designed to measure small cap equity market performance in the global emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Since inception performance for the index reflects a start date of 12/17/2013, the same date as the inception of the Fund's Class I and Class A Shares. Class R6 inception date: 8/1/2019.

SHARE CLASSES

SHARE CLASSES	Ticker	CUSIP
I Shares	VIESX	92828W593
A Shares	VAESX	92828W627
C Shares	VCESX	92828W619
R6 Shares	VRESX	92828W189

FUND INFORMATION

Inception Date (Class I)	12/17/13
AUM (\$ millions)	297.5
Number of Holdings	39
Dividends	Semi-Annually
Morningstar Category	Diversified Emerging Mkts
Index	MSCI Emerging Markets Small Cap Index (net)

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	★★★★★	721
3 Year	★★★★★	721
5 Year	★★★★★	657
10 Year	★★★★★	425

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



Kayne Anderson Rudnick

A VIRTUS INVESTMENT PARTNER

Kayne Anderson Rudnick believes that superior risk-adjusted returns may be achieved through investment in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

PORTFOLIO MANAGERS

Craig Thrasher, CFA

Industry start date: 2003

Start date as Fund Portfolio Manager: 2013

Hyung Kim

Industry start date: 2004

Start date as Fund Portfolio Manager: 2017

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	1.62	1.12
Median Market Cap (bn)	1.01	0.44
Trailing P/E Ex-Negative Earnings	19.35	15.80
Price-to-Cash Flow	19.66	19.24
Price-to-Book Value	5.41	3.46
3-Year Earnings Growth Rate	17.04	16.18
5-Year Earnings Growth Rate	12.76	14.54
Active Share	99.12	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-4.65	n/a
Beta	0.86	1.00
R ²	0.80	1.00
Sharpe Ratio	-0.24	0.10
Standard Deviation	14.83	15.40

TOP TEN HOLDINGS	% Fund
Oracle Financial Services Software Ltd	8.27
Baltic Classifieds Group PLC	6.22
Grupa Pracuj SA	5.70
Tegma Gestao Logistica SA	3.92
LEENO Industrial Inc	3.42
Heineken Malaysia Bhd	3.30
Wirtualna Polska Holding SA	3.27
Allegro.eu SA	3.16
Union Auction PCL	3.05
Rightmove PLC	2.98

TOP TEN COUNTRIES	% Invested Assets	% Index
India	14.05	25.05
Poland	12.58	1.30
Korea (South)	11.15	13.58
Brazil	10.90	4.82
United Kingdom	9.53	0.00
China	8.47	8.17
Malaysia	6.14	2.44
Taiwan	6.12	22.80
Thailand	5.11	3.04
Mexico	5.01	2.11

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS	% Equity	% Index
Industrials	27.53	17.82
Communication Services	20.24	3.81
Information Technology	19.02	18.09
Consumer Staples	11.32	6.23
Consumer Discretionary	9.23	11.47
Financials	6.55	10.62
Materials	3.92	11.64
Health Care	2.19	9.16
Real Estate	0.00	5.99
Utilities	0.00	3.15
Energy	0.00	2.02

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. **Foreign & Emerging Markets:** Investing in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market 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. **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 Earnings Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year Earnings 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.

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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