

## INVESTMENT OVERVIEW

The Fund seeks to generate attractive long-term risk-adjusted returns by investing in the stocks of U.S. small- and mid-cap growth 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, trading at attractive valuations.

## KEY FEATURES

**High-Quality Businesses** — Searches for quality small- and mid-cap growth stocks 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 potential, 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 20-35 strongest investment ideas, with a long-term, low-turnover approach to realize full stock value potential

## SHARE CLASSES

SHARE CLASSES	Ticker	CUSIP
I Shares	VIKSX	92836N783
A Shares	VAKSX	92836N817
C Shares	VCKSX	92836N791
R6 Shares	VRKSX	92836N775

## FUND INFORMATION

Inception Date (Class I)	12/08/20
AUM (\$ millions)	7.5
Number of Holdings	27
Dividends	Semi-Annually
Morningstar Category	Mid-Cap Growth
Index	Russell 2500™ Growth Index

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

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	5.14	5.14	17.17	2.13	n/a	n/a	1.31
Class A NAV	5.08	5.08	16.82	1.87	n/a	n/a	1.05
Class A POP	-0.70	-0.70	10.39	-0.03	n/a	n/a	-0.67
Class R6	5.23	5.23	17.26	2.20	n/a	n/a	1.37
Index	8.51	8.51	21.12	-0.81	n/a	n/a	1.32

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	18.92	-22.54	5.38	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Index	18.93	-26.21	5.04	n/a	n/a	n/a	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](http://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 1.98%. The net expense ratio is 1.05%, 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 2.24%. The net expense ratio is 1.30%, which reflects a contractual expense reimbursement in effect through 1/31/2025.

**Class R6 Shares have no sales charges and are not available to all investors.** The fund class gross expense ratio is 1.85%. The net expense ratio is 0.99%, which reflects a contractual expense reimbursement in effect through 1/31/2025.

**Other share classes may have sales charges. See [virtus.com](http://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 Russell 2500™ Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 2,500 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 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 12/8/2020, the same date as the inception of the Fund's Class I, Class A, and Class R6 Shares.

## MORNINGSTAR RATINGS (CLASS I)

Time Period	# of Stars	# of Funds
Overall	★★★	520
3 Year	★★★	520
5 Year	Not Rated	n/a
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 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

### Julie Biel, CFA

Industry start date: 2004

Start date as Fund Portfolio Manager: 2020

### Chris Wright, CFA

Industry start date: 2012

Start date as Fund Portfolio Manager: 2022

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	13.37	8.77
Median Market Cap (bn)	12.09	1.69
Trailing P/E Ex-Negative Earnings	40.68	23.78
Price-to-Cash Flow	32.33	22.94
Price-to-Book Value	6.87	7.02
3-Year Earnings Growth Rate	10.92	20.80
5-Year Earnings Growth Rate	15.22	20.43
Active Share	96.71	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	2.39	n/a
Beta	0.84	1.00
R <sup>2</sup>	0.85	1.00
Sharpe Ratio	-0.03	-0.16
Standard Deviation	19.60	21.34

TOP TEN HOLDINGS	% Fund
Ryan Specialty Holdings Inc	5.76
Fair Isaac Corp	5.53
West Pharmaceutical Services Inc	5.40
Saia Inc	4.86
HEICO Corp	4.79
nCino Inc	4.55
Bentley Systems Inc	4.52
Rightmove PLC	4.17
Simpson Manufacturing Co Inc	4.09
HealthEquity Inc	3.92

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS	% Equity	% Index
Industrials	27.77	20.14
Information Technology	25.70	22.07
Health Care	16.54	19.94
Financials	15.92	8.45
Consumer Discretionary	6.27	13.52
Communication Services	4.28	1.79
Consumer Staples	3.53	3.87
Energy	0.00	4.05
Materials	0.00	3.66
Real Estate	0.00	1.44
Utilities	0.00	1.08

## 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. **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 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. **R<sup>2</sup>:** 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.

© 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.

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**

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

1454 04-24 © 2024 Virtus Mutual Funds

