

## INVESTMENT OVERVIEW

The Fund seeks attractive long-term returns by providing U.S. real estate securities exposure, emphasizing companies with revenues driven by recurring rental income. The highly experienced portfolio team applies a disciplined, bottom-up investment process, utilizing both qualitative and quantitative factors, focusing on high-quality commercial real estate owner/operators.

## KEY FEATURES

**Attractive Income and Growth Potential** — Pursues the stable cash flows offered by contractual rental revenues, emphasizing REITs with strong management teams focused on long-term value creation

**Broadens Portfolio Diversification** — Provides exposure to the lower correlations the U.S. real estate market has historically exhibited to traditional stocks and bonds

**Lower Volatility Approach** — High-conviction, lower-turnover portfolio of 25-45 securities, strives to benefit from valuations inefficiencies and the historically higher long-term risk-adjusted returns of rental property companies over non-rental companies

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	-1.24	-1.24	6.54	3.36	5.27	6.76	5.18
Class A NAV	-1.28	-1.28	6.31	3.10	5.00	6.48	10.03
Class A POP	-6.71	-6.71	0.46	1.18	3.82	5.88	9.81
Class R6	-1.08	-1.08	6.91	3.70	5.59	n/a	6.07
Index	-0.20	-0.20	10.54	4.14	4.15	6.61	5.07

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	11.16	-26.13	47.15	-1.74	27.32	-6.50	6.11	6.94	2.38	31.66
Index	13.73	-24.37	43.24	-8.00	26.00	-4.62	5.23	8.52	3.20	30.14

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 1.12%.

**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 1.36%

**Class R6 Shares have no sales charges and are not available to all investors.** The fund class gross expense ratio is 0.95%. The net expense ratio is 0.79%, 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 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.

Since inception performance for the index reflects a start date of 12/29/2006, the same date as the inception of the Fund's Class I Shares. Class A inception date: 3/1/1995. Class R6 inception date: 11/12/2014.

## SHARE CLASSES

	Ticker	CUSIP
I Shares	PHRIX	92828R552
A Shares	PHRAX	92828R586
C Shares	PHRCX	92828R560
R6 Shares	VRREX	92828W528

## FUND INFORMATION

Inception Date (Class I)	12/29/06
AUM (\$ millions)	366.5
Number of Holdings	32
Dividends	Quarterly
Morningstar Category	Real Estate
Index	FTSE Nareit Equity REITs 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	★★★★	236
3 Year	★★★★	236
5 Year	★★★★	217
10 Year	★★★★	160

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



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

**Geoffrey P. Dybas, CFA**

Industry start date: 1989

Start date as Fund Portfolio Manager: 1998

**Frank J. Haggerty, Jr., CFA**

Industry start date: 1996

Start date as Fund Portfolio Manager: 2007

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	40.26	37.72
Median Market Cap (bn)	14.97	2.76
Trailing P/E Ex-Negative Earnings	32.09	33.23
Price-to-Cash Flow	16.58	16.18
Price-to-Book Value	2.00	1.97
3-Year Earnings Growth Rate	-7.18	-3.22
5-Year Earnings Growth Rate	5.71	5.32
Active Share	33.94	n/a
Dividend Coverage	1.50	1.50
Earnings Growth Rate est. 2024	2.40	2.20
FFO Multiple (P/E Ratio) est. 2024	17.70	17.30
30-day SEC Yield	2.87	

30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

## INCOME DISTRIBUTIONS

Month	NAV at Month-End
June 2023	\$0.105073 19.32
September 2023	\$0.099054 17.70
December 2023	\$0.160102 18.36
March 2024	\$0.062025 18.07

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-0.74	n/a
Beta	0.99	1.00
R <sup>2</sup>	0.99	1.00
Sharpe Ratio	0.03	0.07
Standard Deviation	20.94	20.95

## 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. **Real Estate:** The portfolio may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management.

**Industry/Sector Concentration:** A portfolio 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 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

**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. **Dividend Coverage:** Calculated by dividing the company's earnings income by the dividend pay-out rate for each stock held by the portfolio. **Earnings Growth Rate est. 2024:** The company's estimated future earnings for each stock held by the portfolio. **FFO Multiple (P/E Ratio) est. 2024:** Calculated by dividing the current market price by the estimated earnings (Funds From Operations) per share for each stock held by the portfolio. **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

TOP TEN HOLDINGS	% Fund
Prologis Inc	11.16
Equinix Inc	6.02
Welltower Inc	5.63
Simon Property Group Inc	4.90
Public Storage	4.89
AvalonBay Communities Inc	4.88
Realty Income Corp	4.71
Digital Realty Trust Inc	4.60
Ventas Inc	4.35
American Homes 4 Rent	3.74

SECTOR ALLOCATION	% Equity	% Index
Industrial	16.11	16.14
Health Care	12.86	10.38
Data Centers	10.62	11.29
Residential: Apartments	9.68	10.95
Retail: Shopping Centers	7.98	5.94
Self Storage	7.90	8.36
Residential: Single Family Homes	5.25	3.19
Retail: Regional Malls	4.89	5.16
Retail: Free Standing	4.71	6.35
Office	4.40	5.94
Gaming REITs	3.73	3.99
Specialty	3.31	3.85
Lodging/Resorts	2.60	3.65
Telecommunications REITs	2.44	0.00
Residential: Manufactured Homes	2.43	2.64
Cash & Equivalents	1.08	0.00
Diversified	0.00	2.17

Holdings and sector weightings are subject to change.

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](https://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.

1246 04-24 © 2024 Virtus Mutual Funds

