

## INVESTMENT OVERVIEW

The Fund seeks attractive returns by investing in companies that specialize in water technologies to address the global water crisis: less than 1% of the earth's water is potable and global demand is rising. Actively managed and attuned to environmental, social, and governance (ESG) metrics, the Fund focuses on market leaders that look to improve water supply, efficiency, and quality.

## KEY FEATURES

**Precision exposure to sustainable water** — Targets pure-play companies, committed to addressing water scarcity, increasing water quality, and enhancing water efficiency. Investors may benefit fully from the secular growth trend that the water theme represents globally

**A resilient portfolio in ever-changing market conditions** — The Fund focuses on what the manager considers high-quality water stocks backed by strong structural drivers, seeking to deliver stability in difficult market environments while generating attractive long-term growth and returns

**Time-tested experience in Water and ESG investing** — The Duff & Phelps team has decades of experience in listed real assets and water-related investment expertise, engaging in a recurring dialogue with global water leaders. The Fund is aligned to four of the 17 United Nations Sustainable Development Goals (SDG), with a focus on Goal 6, 'Clean Water and Sanitation,' offering potential exposure to financial, environmental, and social value

## AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/2023

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
<b>Class INST</b>	14.07	12.38	12.38	3.85	11.77	7.02	7.38
<b>Class A NAV</b>	14.00	12.02	12.02	3.53	11.44	6.70	6.21
<b>Class A POP</b>	7.73	5.86	5.86	1.60	10.19	6.10	5.83
<b>Index 1</b>	11.03	22.20	22.20	5.75	11.72	7.92	7.24
<b>Index 2</b>	14.98	14.82	14.82	5.92	13.06	8.78	8.61

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Class INST</b>	12.38	-20.80	25.82	17.01	33.12	-12.23	22.71	5.13	0.59	-0.84
<b>Index 1</b>	22.20	-18.36	18.54	16.25	26.60	-9.41	23.97	7.86	-2.36	4.16
<b>Index 2</b>	14.82	-21.48	31.82	16.12	33.86	-9.82	27.10	6.83	-1.50	4.08

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](https://virtus.com) for performance data current to the most recent month end.

**Class INST Shares have no sales charges and are not available to all investors.** The fund class gross expense ratio is 1.24%. The net expense ratio is 0.93%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

**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 1.48%. The net expense ratio is 1.22%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

**Other share classes may have sales charges. See [virtus.com](https://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 1:** The MSCI AC World Index (net) is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and 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.

**Index 2:** The S&P Global Water Index (net) is a modified capitalization-weighted index comprised of 50 of the largest publicly traded companies in water-related businesses that meet specific invest ability requirements. The index is designed to provide liquid exposure to the leading publicly-listed companies in the global water industry, from both developed markets and 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 indexes reflect a start date of 7/15/2008, the same date as the inception of the Fund's Class INST Shares. Class A inception date: 3/31/2008.

## SHARE CLASSES

	Ticker	CUSIP
INST Shares	AWTIX	92838V460
A Shares	AWTAX	92838V494
C Shares	AWTCX	92838V486
P Shares	AWTPX	92838V478

## FUND INFORMATION

Inception Date (Class INST)	07/15/08
AUM (\$ millions)	630.4
Number of Holdings	34
Dividends	Semi-Annually
Morningstar Category	Natural Resources
Index 1	MSCI AC World Index (net)
Index 2	S&P Global Water Index (net)

The Indexes shown represent the Fund's performance indexes, which may differ from the Fund's regulatory index included in its Prospectus.

## MORNINGSTAR RATINGS (CLASS INST)

Time Period	# of Stars	# of Funds
Overall	★★★★	108
3 Year	★★	108
5 Year	★★★★	105
10 Year	★★★★★	90

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

**David D. Grumhaus, Jr.**  
Industry start date: 1989  
Start date as Fund Portfolio Manager: 2022

**Nicholas Holmes, CFA**  
Industry start date: 2010  
Start date as Fund Portfolio Manager: 2023

**Evan Lang, CFA**  
Industry start date: 2014  
Start date as Fund Portfolio Manager: 2022

## CHARACTERISTICS

	Fund	Index
Avg. Weighted Market Cap (bn)	25.97	422.55
Median Market Cap (bn)	9.30	6.14
Trailing P/E Ex-Negative Earnings	25.58	17.99
Price-to-Cash Flow	17.50	19.83
Price-to-Book Value	4.12	4.54
3-Year Earnings Growth Rate	19.87	20.54
5-Year Earnings Growth Rate	7.15	14.82
Active Share	98.91	n/a

Index: MSCI AC World Index (net)

## RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	-1.94	n/a
Beta	1.18	1.00
R <sup>2</sup>	0.90	1.00
Sharpe Ratio	0.08	0.22
Standard Deviation	20.24	16.27

Index: MSCI AC World Index (net)

## TOP TEN HOLDINGS

	% Fund
Xylem Inc/NY	9.90
American Water Works Co Inc	7.86
Essential Utilities Inc	7.01
Severn Trent PLC	6.84
Tetra Tech Inc	4.23
Veolia Environnement SA	4.13
Ecolab Inc	3.91
Core & Main Inc	3.84
United Utilities Group PLC	3.53
Stantec Inc	3.46

## REGIONAL ALLOCATION

	% Fund	% Index
North America	71.33	57.31
United Kingdom	12.18	12.58
Europe ex-UK	10.64	13.25
EM Latin America	3.35	5.34
Japan	1.60	1.86
EM Asia	0.91	5.13
EM EU, Middle East and Africa	0.00	4.52

Index: S&P Global Water Index (net)

## INDUSTRY ALLOCATION

	% Equity	% Index
Water Utilities	30.77	35.03
Industrial Machinery & Supplies & Components	20.14	24.74
Environmental & Facilities Services	9.90	4.38
Construction & Engineering	6.76	5.95
Building Products	6.49	12.36
Life Sciences Tools and Services	5.60	0.00
Trading Companies & Distributors	5.58	1.50
Multi-Utilities	4.17	0.00
Specialty Chemicals	3.95	4.09
Electronic Equipment & Instruments	3.95	1.60

Index: S&P Global Water Index (net)

Holdings and industry weightings are subject to change.

## IMPORTANT RISK CONSIDERATIONS

**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. **Issuer Risk:** The portfolio will be affected by factors specific to the issuers of securities and other instruments in which the portfolio invests, including actual or perceived changes in the financial condition or business prospects of such issuers. **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. **Water-Related Risk:** Because the portfolio focuses its investments in water-related companies, it is particularly affected by events or factors relating to this sector, which may increase risk and volatility. **Focused Investments:** To the extent the portfolio focuses its investments on a limited number of issuers, sectors, industries or geographic regions, it may be subject to increased risk and volatility. **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. **Sustainable Investing:** Because the portfolio focuses on investments in companies that the Manager believes exhibit strong environmental, social, and corporate governance records, the portfolio's universe of investments may be smaller than that of other portfolios and broad equity benchmark indices. ESG factors may not be considered for every investment decision and there is no guarantee that the integration of ESG factors will result in better performance. **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.

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