

## INVESTMENT OVERVIEW

The Fund seeks to generate attractive risk-adjusted long-term returns by investing in the stocks of global 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 global 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 INST	1.89	1.89	18.21	-0.55	8.39	6.34	9.79
Class A NAV	1.80	1.80	17.81	-0.87	8.04	5.98	8.69
Class A POP	-3.80	-3.80	11.34	-2.72	6.82	5.38	8.41
Index	3.91	3.91	16.46	1.62	8.00	6.77	7.77

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class INST	24.04	-24.13	11.71	29.72	22.98	-16.46	27.33	1.67	2.52	-1.26
Index	16.84	-18.67	16.10	16.33	24.65	-14.39	23.81	11.59	-1.04	1.78

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 INST Shares have no sales charges and are not available to all investors. Performance data quoted represents past performance. The fund class gross expense ratio is 1.40%. The net expense ratio is 1.28%, which reflects a contractual expense reimbursement in effect through 10/31/2024.

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 1.66%. The net expense ratio is 1.63%, which reflects a contractual expense reimbursement in effect through 10/31/2024.

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.

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Index: The MSCI ACWI Small Cap Index (net) is a free float-adjusted market capitalization-weighted index that measures small cap 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.

Since inception performance for the index reflects a start date of 12/31/1996, the same date as the inception of the Fund's Class INST Shares. Class A inception date: 2/5/2002.



The Fund (Class INST): Best Fund over 5 years among Global Small-/Mid-Cap Funds

## SHARE CLASSES

SHARE CLASSES	Ticker	CUSIP
INST Shares	DGSCX	92837N683
A Shares	RGSAX	92837N741
C Shares	RGSCX	92837N733
P Shares	ARSPX	92837N691

## FUND INFORMATION

Inception Date (Class INST)	12/31/96
AUM (\$ millions)	61.8
Number of Holdings	36
Dividends	Semi-Annually
Morningstar Category	Global Small/Mid Stock
Index	MSCI AC World 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 INST)

Time Period	# of Stars	# of Funds
Overall	★★★★★	135
3 Year	★★★★★	135
5 Year	★★★★★	119
10 Year	★★★	77

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

**Todd Beiley, CFA**

Industry start date: 1999

Start date as Fund Portfolio Manager: 2022

**Craig Thrasher, CFA**

Industry start date: 2003

Start date as Fund Portfolio Manager: 2022

CHARACTERISTICS	Fund	Index
Avg. Weighted Market Cap (bn)	3.93	3.76
Median Market Cap (bn)	1.55	0.75
Trailing P/E Ex-Negative Earnings	18.92	15.67
Price-to-Cash Flow	20.28	14.87
Price-to-Book Value	4.48	2.93
3-Year Earnings Growth Rate	9.04	8.47
5-Year Earnings Growth Rate	10.49	11.10
Active Share	99.17	n/a

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-2.08	n/a
Beta	0.99	1.00
R <sup>2</sup>	0.94	1.00
Sharpe Ratio	-0.18	-0.06
Standard Deviation	18.57	18.16

TOP TEN HOLDINGS	% Fund
Primerica Inc	6.49
Baltic Classifieds Group PLC	5.78
Ryan Specialty Holdings Inc	5.05
Rightmove PLC	4.96
Simpson Manufacturing Co Inc	4.95
FTI Consulting Inc	4.57
Auto Trader Group PLC	3.99
Tegma Gestao Logistica SA	3.83
Moelis & Co	3.44
Landstar System Inc	3.34

TOP TEN COUNTRIES	% Invested Assets	% Index
United States	39.22	52.62
United Kingdom	20.99	4.43
Japan	5.49	10.53
Italy	4.60	1.05
Brazil	3.96	0.67
Singapore	3.34	0.56
Mexico	3.26	0.29
China	3.21	1.14
Canada	3.10	3.20
France	2.61	1.15

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS	% Equity	% Index
Industrials	28.25	20.21
Financials	27.24	14.32
Communication Services	20.38	2.94
Information Technology	10.85	12.07
Health Care	3.34	9.65
Materials	3.26	8.05
Consumer Discretionary	2.95	13.23
Consumer Staples	2.29	4.86
Energy	1.45	4.65
Real Estate	0.00	7.55
Utilities	0.00	2.48

## 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. **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. **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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## FUND CLASSIFICATION AWARDS

The currency for the calculation corresponds to the currency of the country for which the awards are calculated and relies on monthly data. Classification averages are calculated with all eligible share classes for each eligible classification. The calculation periods extend over 36, 60, and 120 months. The highest Lipper Leader for Consistent Return (Effective Return) value within each eligible classification determines the fund classification winner over three, five, or 10 years. For a detailed explanation, please review the Lipper Leader Methodology Document.

U.S. local classifications are used in the United States, rather than Lipper Global classifications – Institutional funds are included in the universe of eligible funds – Since Lipper Leader scores are not calculated for money market funds these classifications are excluded from all fund award calculations. Additionally, S&P 500 Index funds, S&P Midcap 400 Index funds, equity leverage funds, specialty diversified equity funds, specialty fixed income funds, specialty/miscellaneous funds, other states municipal debt funds, other states intermediate municipal debt funds, and other states short/intermediate municipal debt funds are not eligible to receive classification awards. Only one share class (the one with the best Lipper Leader score) is used for each portfolio in determining asset class and overall awards – Some funds may be excluded from award consideration if, in the opinion of LSEG Lipper's Research staff, the portfolio has undergone too many classification changes or changed classifications recently. The calculation periods are through the end of November of the respective evaluation year.

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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**

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