

## INVESTMENT OVERVIEW

The Fund seeks to capture the upside potential of equities with the reduced volatility of fixed income securities by investing in the most compelling U.S. dollar-denominated convertibles.

## KEY FEATURES

**Favorable Asymmetric Risk/Reward** — Seeks to identify and invest in convertible securities with an asymmetric risk/reward profile. Convertible bonds with this structure, also known as total return convertibles, are expected to participate in the upside of the underlying equity and provide downside protection from the bond floor

**Disciplined, Fundamental, Bottom-Up Research Process** — Facilitates the early identification of issuers demonstrating the ability to improve their fundamental characteristics. The companies selected for the portfolio exceed minimum underlying metrics and exhibit future operating performance visibility. Macro factors are assessed at the industry and individual issuer level

**Attractive Risk/Reward Profile** — Since inception, the Fund has provided equity-like returns with less volatility

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class INST	3.19	3.19	8.83	-1.83	11.09	9.13	10.46
Class A NAV	3.13	3.13	8.55	-2.08	10.81	8.81	9.91
Class A POP	-2.54	-2.54	2.58	-3.91	9.57	8.20	9.46
Class R6	3.22	3.22	8.94	n/a	n/a	n/a	-0.39
Index	2.34	2.34	11.34	-0.98	10.28	8.69	8.60

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class INST	8.38	-18.64	5.28	55.82	26.42	3.01	15.22	5.87	-1.55	6.68
Index	12.87	-18.71	6.34	46.22	23.15	0.15	13.70	10.43	-2.99	9.44

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 INST Shares have no sales charges and are not available to all investors.** The fund class gross expense ratio is 0.86%. The net expense ratio is 0.71%, 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 1.10%. The net expense ratio is 0.96%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

**Class R6 Shares have no sales charges and are not available to all investors.** The fund class gross expense ratio is 0.75%. The net expense ratio is 0.62%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

**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 ICE BofA US Convertibles Index tracks the performance of publicly issued US dollar denominated convertible securities of U.S. companies. The index is calculated on a total return basis. 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 4/19/1993, the same date as the inception of the Fund's Class INST Shares. Class A inception date: 4/12/2010. Class R6 inception date: 1/31/2022.

SHARE CLASSES	Ticker	CUSIP
INST Shares	ANNPX	92838V833
A Shares	ANZAX	92838V791
ADMIN Shares	ANNAX	92838V841
C Shares	ANZCX	92838V817
P Shares	ANCMX	92838V106
R6 Shares	VAADX	92838V353

## FUND INFORMATION

Inception Date (Class INST)	04/19/93
AUM (\$ millions)	1,357.5
Number of Holdings	112
Dividends	Quarterly
Morningstar Category	Convertibles
Index	ICE BofA US Convertibles 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 INST)

Time Period	# of Stars	# of Funds
Overall	★★★★★	78
3 Year	★★★	78
5 Year	★★★★★	73
10 Year	★★★★★	58

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



## INVESTMENT MANAGEMENT

Voya Investment Management (Voya IM) strives to help investors push what's possible. As the asset management business of Voya Financial (NYSE: VOYA), Voya IM seeks to understand and anticipate client needs, delivering differentiated solutions across public and private fixed income, equity, and multi-asset platforms, including private markets and alternatives.

## PORTFOLIO MANAGERS

### Justin M. Kass, CFA

Industry start date: 1998

Start date as Fund Portfolio Manager: 2003

### Michael E. Yee

Industry start date: 1994

Start date as Fund Portfolio Manager: 2022

### David J. Oberto

Industry start date: 2003

Start date as Fund Portfolio Manager: 2022

### Ethan Turner, CFA

Industry start date: 2005

Start date as Fund Portfolio Manager: 2023

RATINGS DISTRIBUTION	% Fund
A	2.18
BBB	14.22
BB	4.19
CCC	0.42
Not Rated	77.90
Cash & Equivalents	1.10

CHARACTERISTICS	Fund
30-day SEC Yield	2.07
30-day SEC Yield (unsubsidized)	1.93
30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.	
30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.	

TOP TEN HOLDINGS	% Fund
Wells Fargo & Company 7.5 % Non Cum Perp Conv Pfd Registered Shs A Series L	3.28
Block, Inc. 0.125% 3/1/2025	2.25
Southern Company 3.875% 12/15/2025	2.24
Uber Technologies, Inc. 0.0% 12/15/2025	2.22
Welltower Inc. 2.75% 5/15/2028	2.11
Affirm Holdings, Inc. 0.0% 11/15/2026	1.93
Pg&e Corporation 4.25% 12/1/2027	1.88
Microstrategy Incorporated 0.0% 2/15/2027	1.87
Global Payments Inc. 1.5% 3/1/2031	1.81
Royal Caribbean Cruises Ltd	1.73

SECTOR ALLOCATIONS	% Fund
Technology	24.06
Financials	20.67
Consumer Discretionary	16.87
Healthcare	12.43
Industrials	10.29

Holdings and sector weightings are subject to change.

INCOME DISTRIBUTIONS		
Month	NAV at Month-End	
March 2024	\$0.120121	32.57

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-0.84	n/a
Beta	1.00	1.00
R <sup>2</sup>	0.97	1.00
Sharpe Ratio	-0.36	-0.30
Standard Deviation	12.58	12.43

## 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. **Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **Interest Rate:** The values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities. **Counterparty:** There is risk that a party upon whom the portfolio relies to complete a transaction will default. **Credit Risk:** If the issuer of a debt instrument fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline. **Prepayments/Calls:** If issuers prepay or call fixed rate obligations when interest rates fall, it may force the portfolio to reinvest at lower interest rates. **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. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Prospectus:** For additional information on risks, please see the fund's prospectus.

## GLOSSARY

**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.

## RATINGS DISTRIBUTION METHODOLOGY

Credit ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of the issuers of the underlying securities and not to the Fund or its shares. Ratings are measured using a scale that ranges from AAA (highest) to NR (not rated). Not rated securities do not necessarily indicate low quality. The security's credit rating does not eliminate risk and credit ratings are subject to change. Credit Quality reflects the higher of the ratings of Standard & Poor's Corporation and Moody's Investors Service, Inc. Only one rating will be utilized if only one is available. Ratings are then adjusted to the Standard & Poor's rating tiers shown.

## 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 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.

1443 04-24 © 2024 Virtus Mutual Funds

