

MORNINGSTAR RATINGS AND PEER GROUP RANKINGS as of 12/31/23
Institutional shares (ASFYX) rated within Systematic Trend category

Overall Rating ★★★★★ (out of 66 Funds)

| Time Period | # of Stars | # of Funds |
|-------------|------------|------------|
| 3 Year | ★★★★ | 66 |
| 5 Year | ★★★★★ | 64 |
| 10 Year | ★★★★★ | 41 |

| Time Period | Percentile Ranking | Ranking/# of Peers |
|-------------|--------------------|--------------------|
| 1 Year | 85 th | 58/69 |
| 3 Year | 28 th | 17/66 |
| 5 Year | 7 th | 5/64 |
| 10 Year | 7 th | 4/41 |

Morningstar ratings are based on risk-adjusted returns. **Rankings** are based on fund share class total return and do not include the effect of the fund's sales load, if applicable. Each fund is ranked within a universe of funds similar in portfolio characteristics and capitalization. Strong rankings are not indicative of positive fund performance.

A Differentiated Source and Pattern of Returns

Managed futures strategies have historically had low long-term correlation to traditional stocks and bonds, giving them the potential to provide much-needed diversification.

Opportunity to Perform Well in Diverse Markets

Dynamically taking long and short positions in a broad range of global equity, fixed income, currency, and commodity markets allows for the potential to profit from rising or falling markets, as long as there are identifiable trends.

The Potential for Crisis Alpha

"Crisis alpha" is the potential opportunity from persistent trends during periods of market stress or crisis. By adapting to the circumstances of each crisis, and investing in highly liquid assets, Managed Futures strategies can take advantage of trends across a diversified group of global asset classes to provide positive returns even when other strategies tend to struggle.



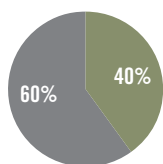
"The philosophy that informs our strategy is based on the Adaptive Markets Hypothesis, an innovative theory of market behavior that recognizes that financial markets are neither always efficient nor always rational, but that they are highly competitive and adaptive."

Alexander D. Healy, Ph.D.
Chief Investment Officer, Portfolio Manager

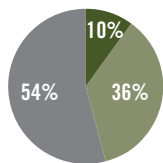
Managed Futures: A Source of Differentiated Returns

Managed futures have historically generated long-term absolute returns independent of overall market direction, providing a differentiated source and pattern of returns when compared to traditional stock and bond portfolios. These strategies also have tended to have low long-term correlation to traditional stocks and bonds, which may provide much-needed diversification benefits, especially during periods of market dislocation.

Traditional Balanced Portfolio



Alternative Enhanced Portfolio



- S&P 500® Index
- Bloomberg U.S. Aggregate Bond Index
- SG Trend Index

| Return (Annualized) | Max Drawdown | Standard Deviation (Annualized) | Sharpe Ratio (Annualized) | Beta |
|---|-------------------|---------------------------------------|---------------------------------|-------------|
| 6.14 6.23 | -35.84% -31.10% | 9.61 8.59 | 0.45 0.51 | 0.61 0.54 |
| 60% S&P 500® Index/40% Bloomberg U.S. Aggregate Bond Index 54% S&P 500® Index/36% Bloomberg U.S. Aggregate Bond Index/10% SG Trend Index | | | | |

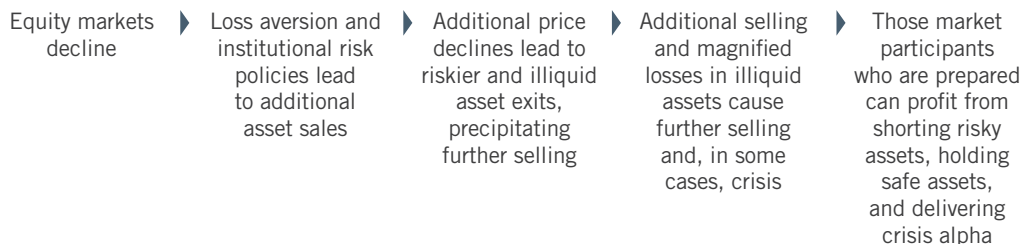
Past performance is not indicative of future results. Source: Morningstar Direct and Virtus Performance & Analytics. All data calculated since SG Trend Index inception (01/01/00 – 12/31/23); Sharpe Ratio (risk-free rate is 90-Day Treasury Bill) and Beta calculated against the S&P 500® Index. Indexes are defined on page 2 and statistics on page 4.

This fund is the successor to the AlphaSimplex Managed Futures Strategy Fund through a reorganization that occurred on May 19, 2023.

What Is Crisis Alpha?

“The potential opportunities from persistent trends during periods of market stress or crisis.”

Kathryn M. Kaminski, Ph.D., CAIA®
Chief Research Strategist and
Portfolio Manager

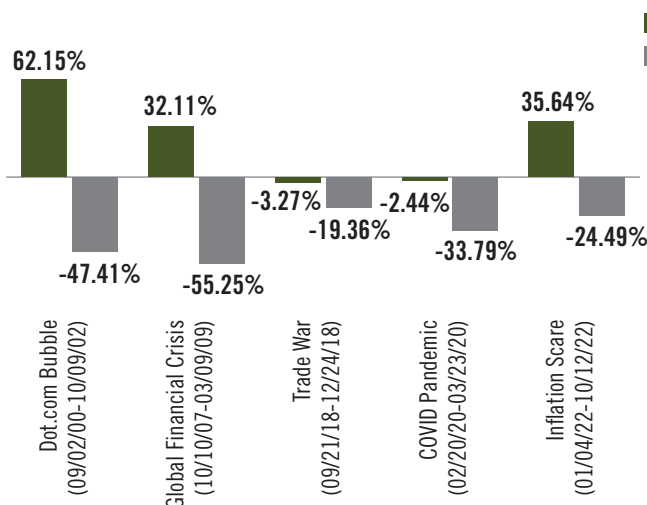


Source: AlphaSimplex Group, LLC. For illustrative purposes only. Trend-following strategies may see profits when markets have strong trends and losses when markets are choppy or in transition.

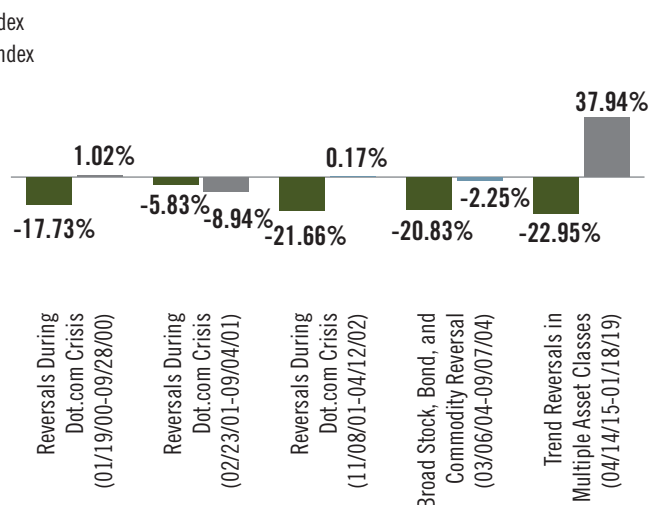
Managed Futures: Potential for Crisis Alpha in Difficult Markets

Managed Futures have historically provided outsized returns during market crises.

PERFORMANCE OF TREND STRATEGIES DURING THE FIVE LARGEST S&P 500® INDEX DRAWDOWNS



PERFORMANCE OF THE S&P 500® INDEX DURING THE FIVE LARGEST TREND STRATEGY DRAWDOWNS



Past performance is not indicative of future results. Time periods chosen represent periods in which the S&P 500® Index or SG Trend Index declined by more than 15%, returns are cumulative. Data from January 1, 2000, which was the inception of the SG Trend Index, through December 31, 2023. Source: Morningstar Direct and Virtus Performance & Analytics.

Low Long-Term Correlation to Traditional Asset Classes

The Virtus AlphaSimplex Managed Futures Strategy Fund (ASFYX) has historically provided low long-term correlations to traditional investments, providing investors a much-needed hedge against difficult stock and bond markets.

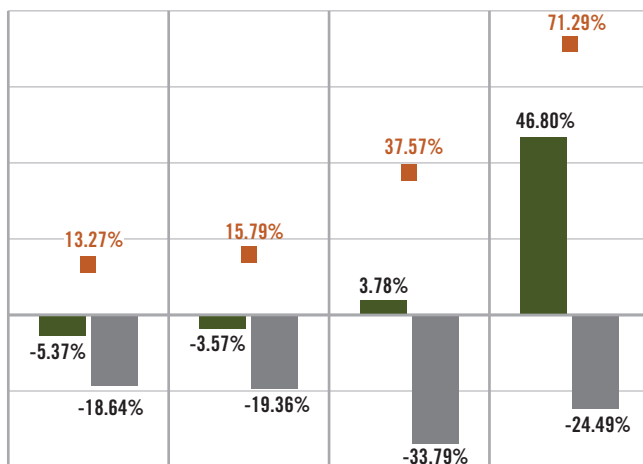
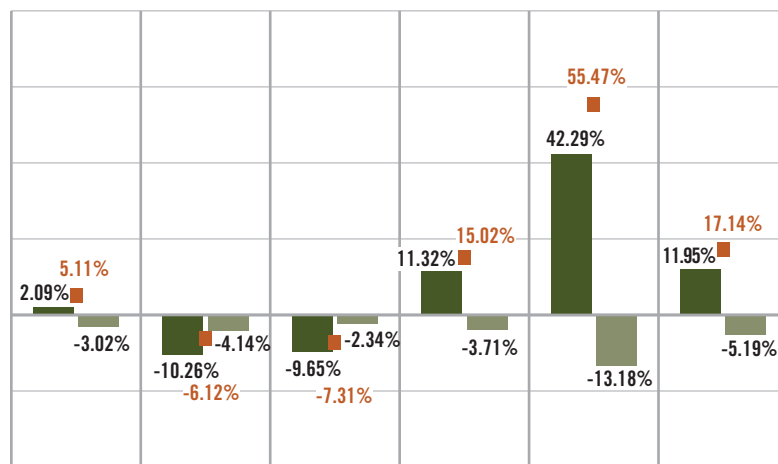
ASFYX LONG-TERM CORRELATION TO TRADITIONAL INVESTMENTS (01/01/14–12/31/23)

| Stocks | Traditional Balanced Portfolio | Bonds | Treasury Bills | Inflation | Commodities |
|--------|--------------------------------|-------|----------------|-----------|-------------|
| -0.14 | -0.17 | -0.26 | -0.14 | 0.11 | -0.04 |

Past performance is not indicative of future results. Source: Morningstar Direct and Virtus Performance & Analytics. Stocks: S&P 500® Index, Traditional Balanced Portfolio: 60/40 S&P 500 Index/Bloomberg U.S. Aggregate Bond Index, Bonds: Bloomberg U.S. Aggregate Bond Index, Treasury Bills: Bloomberg U.S. 1-3 Month Treasury Bill Index, Commodities: S&P Goldman Sachs Commodity Index, Inflation: U.S. Consumer Price Index.

The **Bloomberg U.S. Aggregate Bond Index** measures the U.S. investment grade fixed rate bond market. The **Bloomberg U.S. Treasury Bill 1-3 Month Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. The **Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The **S&P 500® Index** is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The **S&P Goldman Sachs Commodity Index (GSCI)®** Index is designed to reflect the performance of a production-weighted basket of physical commodities. The index is calculated on a total return basis with all proceeds reinvested. The **SG Trend Index** is equal-weighted, reconstituted and rebalanced annually. The index calculates the net daily rate of return for a pool of Commodity Trading Advisors (CTAs) selected from the larger managers that are open to new investment. AlphaSimplex Group, LLC is part of this Index. Indexes are calculated on a total return basis. All indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

Past performance does not guarantee future results.

**POTENTIAL FOR DIVERSIFICATION IN TOUGH MARKETS:
S&P 500® INDEX DRAWDOWNS >15%**

**POTENTIAL FOR DIVERSIFICATION IN TOUGH MARKETS:
RISING RATE ENVIRONMENTS**


■ Virtus AlphaSimplex Managed Futures Strategy Fund (ASFYX) ■ S&P 500® Index ■ Bloomberg U.S. Aggregate Bond Index ■ ASFYX Excess Return

Past performance is not indicative of future results. Source: Morningstar Direct and Virtus Performance & Analytics. There have been four periods when the S&P 500® Index had a >15% drawdown and six periods when the 10-Year Treasury Yield rose >100 bps since ASFYX's inception, cumulative performance for less than one year, annualized performance for greater than one year. Trend-following strategies may see profits when markets have strong trends and losses when markets are choppy or in transition.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/23

| | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception 07/30/10 |
|---------|-------|--------|--------|--------|--------|---------|-----------------------------|
| ASFYX | -6.78 | -10.32 | -10.32 | 7.99 | 9.16 | 5.14 | 4.86 |
| Index 1 | -1.42 | -5.91 | -5.91 | 7.30 | 3.72 | 3.43 | n/a |
| Index 2 | -5.07 | -4.17 | -4.17 | 10.01 | 9.10 | 5.02 | 4.11 |

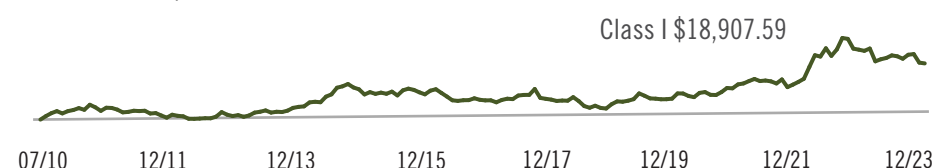
Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See virtus.com for details.

The fund class gross expense ratio is 1.56%. The net expense ratio is 1.45%, which reflects a contractual expense reimbursement in effect through 05/19/25.

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.

ANNUAL PERFORMANCE (%) as of 12/31/23

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------|--------|-------|------|-------|-------|--------|-------|-------|-------|-------|
| ASFYX | -10.32 | 35.65 | 3.53 | 13.56 | 8.35 | -12.35 | 6.48 | -5.47 | -1.22 | 22.21 |
| Index 1 | -5.91 | 22.13 | 7.50 | 1.81 | -4.56 | -4.40 | -2.25 | 4.19 | 3.56 | 15.77 |
| Index 2 | -4.17 | 27.35 | 9.09 | 6.28 | 9.23 | -8.11 | 2.20 | -6.14 | 0.04 | 19.70 |

GROWTH OF \$10,000


This chart assumes an initial investment of \$10,000 made on 07/30/10. As of 12/31/23 the fund value would have been \$18,907.59. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

PORTFOLIO MANAGERS



Alexander D. Healy, Ph.D.
Industry start date: 2007
Start date as Fund Portfolio Manager: 2014



Kathryn M. Kaminski, Ph.D., CAIA
Industry start date: 2008
Start date as Fund Portfolio Manager: 2018



Philippe P. Lüdi, Ph.D., CFA
Industry start date: 2006
Start date as Fund Portfolio Manager: 2014



John C. Perry, Ph.D.
Industry start date: 2003
Start date as Fund Portfolio Manager: 2017



Robert S. Rickard
Industry start date: 1993
Start date as Fund Portfolio Manager: 2010

FUND INFORMATION

| | |
|----------------------|--|
| Inception Date | 07/30/10 |
| AUM (\$ millions) | 2,270.8 |
| Dividends | Annually |
| Morningstar Category | Systematic Trend |
| Index 1 | Credit Suisse Managed Futures Liquid Index |
| Index 2 | SG Trend Index |

HOLDINGS SUMMARY

| | |
|---------------------------|----|
| Number of Long Positions | 55 |
| Number of Short Positions | 38 |
| Total Positions | 93 |

Does not include cash investments in money market instruments.

INDEX DEFINITIONS

Index 1: The **Credit Suisse Managed Futures Liquid Index** seeks to gain broad exposure to the Managed Futures strategy using a pre-defined quantitative methodology to invest in a range of asset classes including: equities, fixed income, commodities, and currencies. Relative performance for the Credit Suisse Managed Futures Liquid Index is not available prior to January 31, 2011, which is the inception date of the index. 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 **SG Trend Index** is equal-weighted, reconstituted and rebalanced annually. The index calculates the net daily rate of return for a pool of Commodity Trading Advisors (CTAs) selected from the larger managers that are open to new investment. AlphaSimplex Group, LLC is part of this Index. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

IMPORTANT RISK CONSIDERATIONS

Derivatives: Derivatives may include, among other things, futures, options, forwards, and swap agreements and may be used in order to hedge portfolio risks, create leverage, or attempt to increase returns. Investments in derivatives may result in increased volatility and the portfolio may incur a loss greater than its principal investment. **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. **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. **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. **Currency Rate:** Fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of the portfolio's shares. **Commodity and Commodity-Linked Instruments:** Commodity and commodity-linked instruments may experience a return different than the commodity they attempt to track and may also be exposed to counterparty 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. **Leverage:** When the Fund leverages its portfolio, the Fund may be less liquid and/or may liquidate positions at an unfavorable time, and the value of the Fund's shares will be more volatile and sensitive to market movements. **Financial Concentration:** Because the portfolio is presently heavily weighted in the financial sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification. **Portfolio Turnover:** The portfolio's principal investment strategies may result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when the portfolio is held in a taxable account. **Quantitative Model:** Investments selected using quantitative models may perform differently from the market as a whole or from their expected performance. There can be no assurance that use of a quantitative model will enable the portfolio to achieve positive returns or outperform the market. **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

ASSET CLASS EXPOSURE

| | % Risk Allocation |
|--------------|-------------------|
| Equities | 35 |
| Fixed Income | 20 |
| Currencies | 22 |
| Commodities | 24 |

TOP ACTIVE EXPOSURES BY ASSET CLASS

| | | % Risk Allocation |
|----------------------------|-------|-------------------|
| Equities | | |
| S&P 500 (U.S.) | Long | 0.95 |
| NASDAQ 100 (U.S.) | Long | 0.80 |
| DJIA (U.S.) | Long | 0.78 |
| Russell 2000 (U.S.) | Long | 0.54 |
| S&P/TSX 60 (Canada) | Long | 0.50 |
| Fixed Income | | |
| French 10-Year Bond (OAT) | Long | 1.04 |
| UK 10-Year Bond (Gilt) | Long | 0.68 |
| German 10-Year Bond (Bund) | Long | 0.58 |
| Italian 10-Year Note (BTP) | Long | 0.57 |
| German 5-Year Note (Bobl) | Long | 0.48 |
| Currencies | | |
| Japanese Yen | Short | 0.88 |
| Polish Zloty | Long | 0.85 |
| Mexican Peso | Long | 0.67 |
| British Pound | Long | 0.54 |
| Swiss Franc | Long | 0.49 |
| Commodities | | |
| Gold | Long | 0.78 |
| Natural Gas | Short | 0.74 |
| Coffee | Long | 0.53 |
| EU Carbon Emissions | Short | 0.53 |
| Corn | Short | 0.39 |

Source: AlphaSimplex Group, LLC. The risk allocations presented above are intended to illustrate the risk levels associated with the individual portfolio holdings included in the Fund. The top active exposures are determined by the ex-ante annualized volatility for the notional contract value in U.S. dollars of the Fund's futures and/or forward positions. These are calculated as of month-end. Percent of risk budget estimates are based on ex-ante asset class volatility measures relative to the sum of these volatility measures across asset classes. The Fund's performance and risk information provided above is unaudited and has been computed by AlphaSimplex based on unaudited figures compiled from internal data, which may be subject to revisions. Accordingly, while this data was obtained from sources believed to be reliable, AlphaSimplex provides no assurances as to its accuracy or completeness. Portfolio asset class exposure and positions are subject to change.

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

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. **Correlation:** A measure that determines the degree to which two variables' movements are associated. The correlation coefficient will vary from -1 to +1. A -1 indicates perfect negative correlation and +1 indicates perfect positive correlation. **Maximum Drawdown:** The peak-to-trough decline during a specific record period of an investment, fund, or commodity. A drawdown is usually quoted as the percentage between the peak and the trough. **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 for a prospectus or summary prospectus. Read it carefully before investing.

Not FDIC Insured | May Lose Value | Not Bank Guaranteed