

## INVESTMENT OVERVIEW

The Fund pursues an absolute return strategy that seeks to provide long-term capital appreciation. The AlphaSimplex strategy uses a pure trend-following approach to take advantage of momentum in a range of liquid futures and forward contracts across global equity, bond, currency, and commodity markets.

## KEY FEATURES

**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 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.

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	-6.78	-10.32	-10.32	7.99	9.16	5.14	4.86
Class A NAV	-6.91	-10.59	-10.59	7.73	8.89	4.87	4.61
Class A POP	-12.03	-15.51	-15.51	5.72	7.66	4.28	4.17
Class R6	-6.81	-10.33	-10.33	8.10	9.28	n/a	5.84
Index 1	-1.42	-5.91	-5.91	7.30	3.72	3.43	2.59
Index 2	-5.07	-4.17	-4.17	10.01	9.10	5.02	4.11

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	-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

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 1.56%. The net expense ratio is 1.45%, which reflects a contractual expense reimbursement in effect through 5/19/2025.

**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 1.85%. The net expense ratio is 1.70%, which reflects a contractual expense reimbursement in effect through 5/19/2025.

**Class R6 shares have no sales charges and are not available to all investors.** The fund class gross expense ratio is 1.44%. The net expense ratio is 1.33%, which reflects a contractual expense reimbursement in effect through 5/19/2025.

**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 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.

Since inception performance for the index reflects a start date of 7/30/2010, the same date as the inception of the Fund's Class I and Class A Shares. Class R6 inception: 5/1/2017.

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

SHARE CLASSES	Ticker	CUSIP
I Shares	ASFYX	92835M422
A Shares	AMFAX	92835M448
C Shares	ASFCX	92835M430
R6 Shares	AMFNX	92835M414

## FUND INFORMATION

Inception Date (Class I)	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

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 I)

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

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

## INVESTMENT ADVISER

Virtus Alternative Investment Advisers, Inc.

## INVESTMENT SUBADVISER



Since the firm's founding in 1999, AlphaSimplex has developed systematic, quantitative alternative investment strategies that are attuned to changing market dynamics.

## 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

HOLDINGS SUMMARY

Number of Long Positions	55
Number of Short Positions	38
<b>Total Positions</b>	<b>93</b>

Does not include cash investments in money market instruments.

ASSET CLASS EXPOSURE	% Risk Allocation
Equities	35
Fixed Income	20
Currencies	22
Commodities	24

TOP ACTIVE EXPOSURES BY ASSET CLASS

Equities		% Risk Allocation
S&P 500 (US)	Long	0.95
NASDAQ 100 (US)	Long	0.80
DJIA (US)	Long	0.78
Russell 2000 (US)	Long	0.54
S&P/TSX 60 (Canada)	Long	0.50
<b>Fixed Income</b>		
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
<b>Currencies</b>		
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
<b>Commodities</b>		
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 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.

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 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.

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 insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

Mutual funds distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

GLOSSARY

**Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Long Position:** Refers to the purchase of a security with the expectation that it will rise in value. **Short Position:** Refers to the sale of a borrowed security with the intention of buying it back later at a lower price.

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.