



VIRTUS KAR LONG/SHORT EQUITY FUND

December 31, 2023

IMPORTANT RISK CONSIDERATIONS



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
Sector Focused Investing	Events negatively affecting a particular industry or market sector in which the portfolio focuses its investments may cause the value of the portfolio to decrease.
Short Sales	The portfolio may engage in short sales, and may incur a loss if the price of a borrowed security increases before the date on which the portfolio replaces the security.
Counterparties	There is risk that a party upon whom the portfolio relies to complete a transaction will default.
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.
Non-Diversified	The portfolio is not diversified and may be more susceptible to factors negatively impacting its holdings to the extent the portfolio invests more of its assets in the securities of fewer issuers than would a diversified portfolio.
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.

VIRTUS INVESTMENT PARTNERS

MULTI-ASSET MANAGER



KEY FACTS

\$172.3

Billion in
AUM

38

Funds Rated
4 or 5 Stars¹



Past performance is not indicative of future results.

As of 12/31/23. ¹Based on institutional-class or I shares. Please see page 19 for additional Morningstar disclosure. Strong ratings are not indicative of positive fund performance. ²Newfleet Asset Management, Seix Investment Advisors, and Stone Harbor Investment Partners are divisions of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser. Virtus has a majority or minority interest in the managers shown, with exception of Voya Investment Management.

At a Glance

- Year Founded: 1984
- Headquarters:
Los Angeles, CA
- AUM: \$59.6 billion*
- Number of Investment Professionals: 21
- Average Investment Experience: 16 Years
- A wholly owned, independent subsidiary of Virtus Investment Partners

- A differentiated “business analyst” investment approach focusing on high-quality businesses**
- A disciplined and repeatable investment process that produces high-conviction portfolios
- KAR Long/Short Fund is managed by Chris Wright, CFA, who has been with KAR since 2012 and has 22 years of financial services experience, and Julie Biel, CFA, who has been with KAR since 2013 and has 20 years of financial services experience.
- KAR Long/Short Fund leverages KAR’s successful investment philosophy to create an alternative strategy that has equity-like returns with less downside risk

Investment Philosophy

The Fund seeks to generate attractive risk-adjusted returns by purchasing long positions in companies with durable competitive advantages and strong management teams and selling short positions in companies with poor financial performance, flawed business models, or aggressive capital structures.

Source: Kayne Anderson Rudnick

*AUM as of December 31, 2023. Figures in USD.

**Please refer to the “Tenets of Quality: Our Quality Business Assessment” slide later in this presentation for KAR’s definition of high-quality businesses.

Portfolio Manager/Analyst	Responsibility	Sector Coverage	Research Start Date	KAR Start Date
Julie Biel, CFA	Portfolio Manager and Senior Research Analyst	Small and Mid Cap Information Technology and Health Care	2004	2013
Chris Wright, CFA	Portfolio Manager and Senior Research Analyst	Small and Mid Cap Financials, Information Technology, Energy and Industrials	2012	2012
Chris Armbruster, CFA	Senior Research Analyst	Large Cap Communications Services, Consumer Discretionary, Health Care and Information Technology	2005	2013
Todd Beiley, CFA	Senior Research Analyst	Small and Mid Cap Financials (Insurance Industry)	1999	2002
Jon K. Christensen, CFA	Senior Research Analyst	Small and Mid Cap Health Care and Industrials	1995	2001
Noran Eid	Senior Research Analyst	Large Cap Consumer Discretionary, Health Care and Information Technology	2012	2018
Julie Kutasov	Senior Research Analyst	Small and Mid Cap Materials, Industrials and Utilities	2001	2001
Richard Sherry, CFA	Senior Research Analyst	Large Cap Communication Services, Energy, Financials, Real Estate and Utilities	1998	1995
Craig Stone	Senior Research Analyst	Small and Mid Cap Real Estate and Consumer Discretionary	1990	2000
Adam Xiao, CFA	Senior Research Analyst	Small and Mid Cap Financials, Communication Services, Consumer Discretionary and Information Technology	2013	2018
Katie Advena	Research Analyst	Large Cap Consumer Staples, Health Care, Industrials and Materials	2011	2015
Sean Dixon	Research Analyst	Small and Mid Cap Consumer Discretionary and Industrials	2008	2018
Luke Longinotti	ESG Research Analyst		2020	2023
Arthur Su, CFA	Research Analyst	Small and Mid Cap Information Technology, Industrials and Consumer Staples	2015	2022
Clarissa Ali	Associate Research Analyst		2023	2018

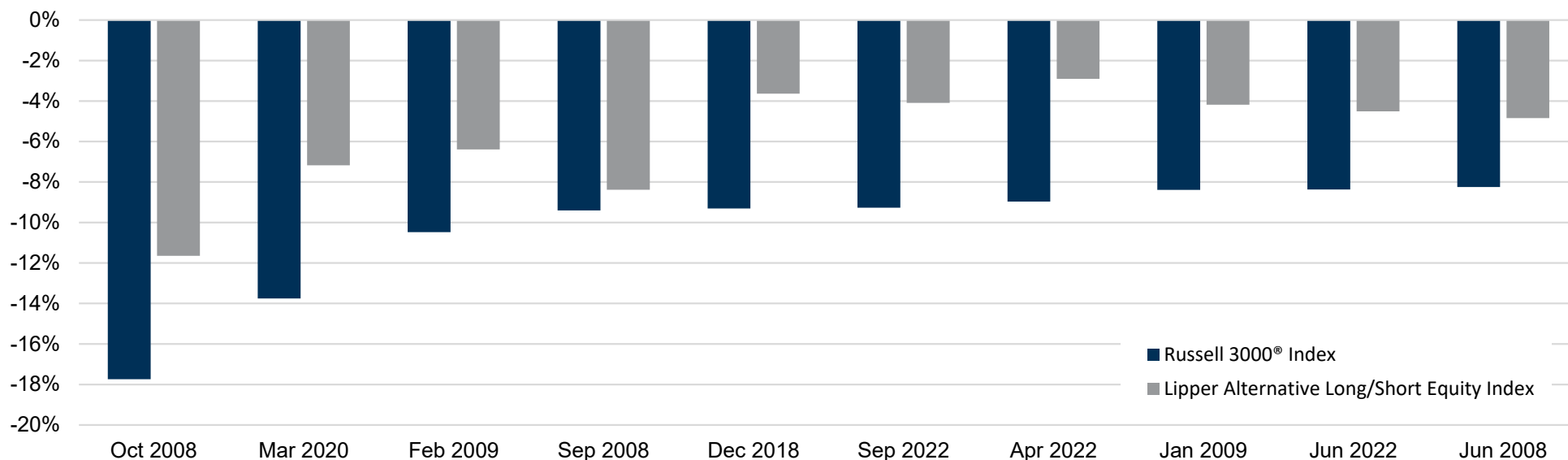
WHY LONG/SHORT?

Long/short equity has allowed investors to participate in equity-like returns while seeking to reduce downside risk

- As shown in the chart below, long/short strategies have helped to mitigate investor losses during declines in the equity market
- KAR believes long/short may improve capital preservation and lower volatility, which helps investors stay fully invested during market declines so they can participate in a subsequent market rally

RETURNS

10 Worst Months for the Russell 3000® Index since October 2003*



Past performance is no guarantee of future results.

*October 2003 is the inception of the Lipper Alternative Long/Short Equity Index.

Data is obtained from FactSet Research Systems and is assumed to be reliable.

The commentary is the opinion of Kayne Anderson Rudnick. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities.

KAR BUYS BUSINESSES THAT IT BELIEVES HAVE EXHIBITED

- Durable competitive advantages
- Strong fundamentals
- Reasonable valuations

KAR SELLS SHORT BUSINESSES THAT IT BELIEVES HAVE EXHIBITED

- Lack of a durable competitive advantage
- Mediocre financial performance
- High financial/balance sheet risk

Source: Kayne Anderson Rudnick

The commentary is the opinion of Kayne Anderson Rudnick. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities.

Competitive Protection

- Brand/Reputation
- Network Effect
- Scale/Cost Advantage
- Benchmarking Standard
- High Customer Switching Costs
- Barriers to Entry/Unique Asset
- Low Obsolescence Risk

Owner-Oriented Management

- Cultivates Competitive Advantage
- Rational Capital Allocation
- Considers Stakeholder Interests



KAR HIGH-QUALITY BUSINESS

- Protect and Grow Market Share
- High Economic Return on Capital
- Business Returns → Shareholder Returns

Source: Kayne Anderson Rudnick

The commentary is the opinion of Kayne Anderson Rudnick. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities.

KAR seeks to short companies that generally fall into one of these three categories:

Secular Shorts

These are low-quality businesses that are in secular decline. KAR's expectation is that these companies will continue to generate inferior financial performance during the holding period

- Typically, the share price and financials have already shown weakness and the portfolio manager expects this situation to continue
- Regardless of the market environment (high-quality vs. low-quality preference), the share price will follow the decline of the reported financials

Cyclical Shorts

These are low-quality businesses that are facing meaningful cyclical headwinds

- For these types of shorts, KAR prefers companies with high financial leverage
- As the cycle peaks and turns negative, the lack of pricing power and large amounts of debt cause equity values to compress quickly

Tactical Shorts

These are businesses that have heightened near-term risk to their financial performance

- The stock and financials may not have shown weakness yet, but the expectation is for that to change soon due to competition, customer concentration, input cost inflation, contagion effects, etc.

Source: Kayne Anderson Rudnick

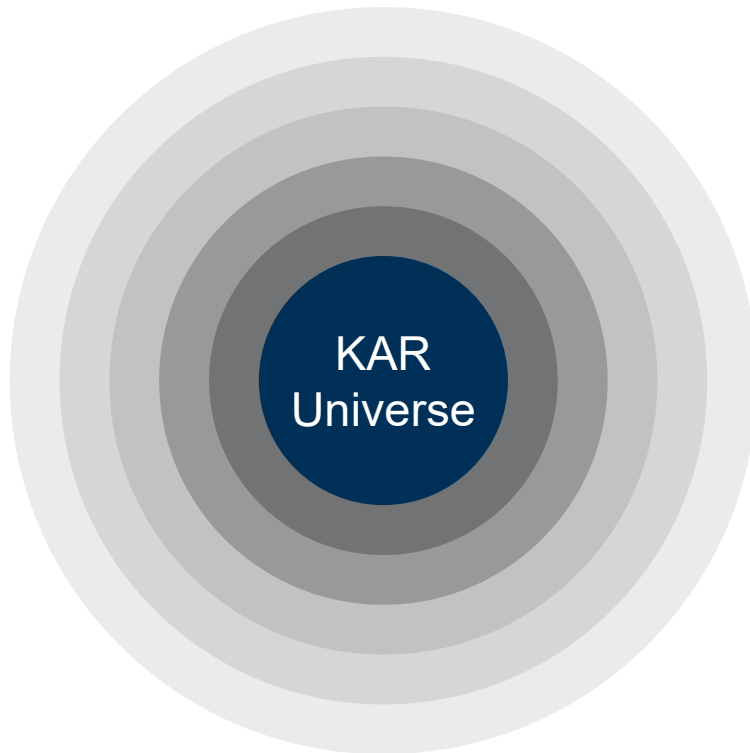
The commentary is the opinion of Kayne Anderson Rudnick. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities.

KAR INVESTMENT PROCESS UNIVERSE DEVELOPMENT

KAR SOURCES ITS INVESTMENT UNIVERSE IN A NUMBER OF WAYS



ALL-CAP UNIVERSE



	Long	Short
Quantitative Screens	<ul style="list-style-type: none"> High return on capital over a full economic cycle Long and resilient earnings history High return on net operating assets Minimal debt 	<ul style="list-style-type: none"> Low earnings quality and lack of free cash flow generation Declining financial metrics Low returns on net operating assets Highly leveraged
Qualitative Screens	<ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research 	<ul style="list-style-type: none"> Research on existing portfolio holdings Meetings with companies Industry reviews Investment conferences Third-party research

	Long	Short
Position Weights	<ul style="list-style-type: none">■ Typically 20-30 holdings■ Max position size is 10% at market	<ul style="list-style-type: none">■ Typically 20-30 holdings■ Initial position size is typically 1% to 2%■ No overlap with any other KAR long-only strategy
Market Cap	<ul style="list-style-type: none">■ Target over \$300 million market cap	<ul style="list-style-type: none">■ Target over \$300 million market cap
Sector Tolerances	<ul style="list-style-type: none">■ No sector constraints, but seek broad diversification	<ul style="list-style-type: none">■ No sector constraints, but seek broad diversification
Holding Period	<ul style="list-style-type: none">■ Typically 3 to 5 years	<ul style="list-style-type: none">■ Typically one year or less
Exposure	<ul style="list-style-type: none">■ Typically 80% to 100%	<ul style="list-style-type: none">■ Typically 20% to 30%, unlevered product

	Long	Short
Portfolio Upgrade	<ul style="list-style-type: none"> ■ Identify a more compelling investment idea 	<ul style="list-style-type: none"> ■ Identify a more compelling investment idea
Valuation	<ul style="list-style-type: none"> ■ Significant premium to intrinsic value ■ Expected annual return insufficient 	<ul style="list-style-type: none"> ■ Significant discount to value as a going concern ■ Discount to estimate of liquidation value
Acquisition Activity	<ul style="list-style-type: none"> ■ Holding acquired at an attractive premium ■ Holding acquires a company diminishing its business or value 	<ul style="list-style-type: none"> ■ Holding acquires a company that significantly improves its business and competitive position ■ “White Knight” financial, or strategic, buyer emerges with a high likelihood of close
Negative Company or Industry Changes	<ul style="list-style-type: none"> ■ Position Review for any of the following conditions: <ul style="list-style-type: none"> – Stock price declines 20% or more in a short time period, absent a broad market decline – Validity deteriorates for one or more of the reasons for purchase ■ Quality parameters reviewed by the Chief Investment Officer with the Portfolio Manager 	<ul style="list-style-type: none"> ■ Position Review for any of the following conditions: <ul style="list-style-type: none"> – Stock price appreciates 20% or more in a short time period, absent a broad market rally – Validity deteriorates for one or more of the reasons for short ■ Investment rationale reviewed by the Chief Investment Officer with the Portfolio Manager

Risk management is an integral part of the process:

	SCREEN FOR KAR'S UNIVERSE	FUNDAMENTAL RESEARCH	PORTFOLIO CONSTRUCTION*	PORTFOLIO MONITORING
Long	<ul style="list-style-type: none"> Avoid leveraged companies (balance sheet risk) Avoid declining profitability (income statement risk) 	<ul style="list-style-type: none"> Focus on quality seeks to reduce "business risk" Management teams that think like owners Clearly defined "moat" to protect the business Reasonable valuation 	<ul style="list-style-type: none"> Unlevered product Typically 3%-5% position size at cost Max position size is 10% at market Trading guidelines to limit impact during purchases and sales 	<ul style="list-style-type: none"> Portfolio review with CIO Position review for significant underperformance Monthly performance attribution reports
Short	<ul style="list-style-type: none"> Leverage Erratic financial performance Declining profitability Target short interest ratio no greater than 10 days Target short interest/float of less than 20% Avoid "story" stocks that trade on sentiment Avoid "tail-risk" companies like biotechs 	<ul style="list-style-type: none"> Focus on flawed businesses likely to result in worsening fundamentals Focus on failing businesses, not expensive stocks 	<ul style="list-style-type: none"> Unlevered product Typically 1%-2% position size at cost 	<ul style="list-style-type: none"> Portfolio review with CIO Position review for significant outperformance Monthly performance attribution reports

Source: Kayne Anderson Rudnick.

*There is no guarantee that the portfolio will meet its objective.

PORTFOLIO CHARACTERISTICS



Quality	Virtus KAR Long/Short Equity Fund - Long Only	Virtus KAR Long/Short Equity Fund - Short Only	Russell 3000® Index	Description [†]
Return on Equity—Past 5 Years	30.1%	10.8%	23.0%	KAR seeks to own companies that are profitable, have less leverage, and greater earnings consistency when compared to the benchmark. KAR seeks the opposite with short holdings.
Total Debt/EBITDA*	1.2 x	2.3 x	1.3 x	
Earnings Variability—Past 10 Years	37.4%	82.1%	47.7%	
Growth				
Earnings Per Share Growth—Past 5 Years	13.2%	10.9%	16.8%	KAR seeks to own holdings that have grown its profits faster than the benchmark. KAR seeks the opposite with short holdings.
Earnings Per Share Growth—Past 10 Years	15.3%	13.7%	13.5%	
Market Characteristics				
\$ Weighted Average Market Cap—by Issuer	\$136.0 B	\$2.6 B	\$630.2 B	
Largest Market Cap— by Issuer	\$1,883.0 B	\$7.1 B	\$3,010.1 B	

Past performance is no guarantee of future results.

As of 12/31/23.

[†]Description reflects past results and is not an indicator of future performance results. Description is relative to the Fund's primary benchmark.

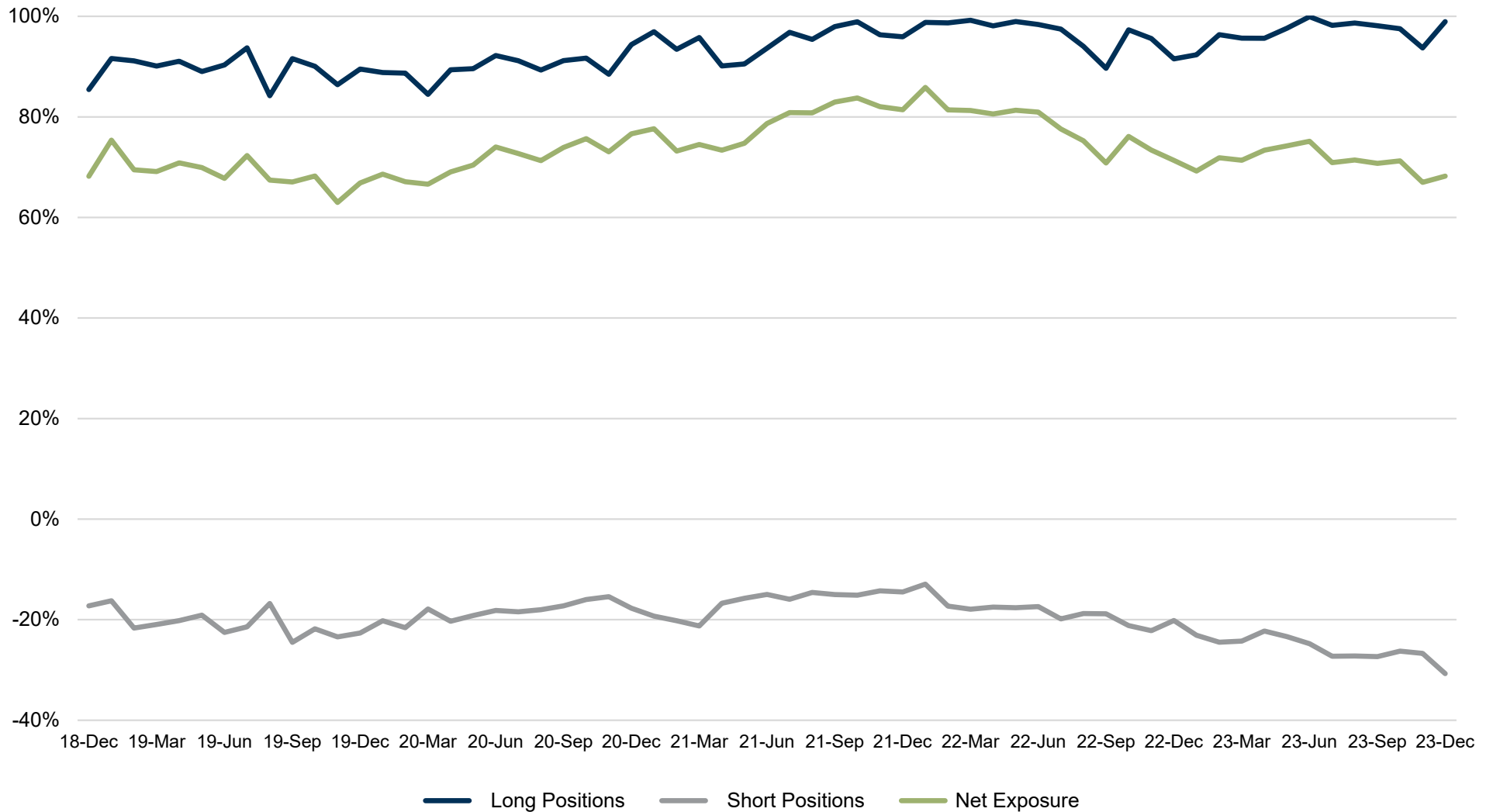
*KAR utilizes the interquartile method when calculating TD/EBITDA. The interquartile method excludes outliers from an aggregate statistic such as weighted average. The interquartile method does not assume that data from the top or bottom of the distribution are outliers--only the extreme ends are excluded--and that it can be applied consistently as a quantitative method for most fundamental characteristics.

Data is obtained from the Frank Russell Company and FactSet and is assumed to be reliable. Other principal consultant firms may use different algorithms to calculate selected statistics. Estimates are based on certain assumptions and historical information.

Please see page 19 for definitions of characteristics shown.

EXPOSURE OVER TIME

VIRTUS KAR LONG/SHORT EQUITY FUND Inception* to December 31, 2023



Past performance is no guarantee of future results.

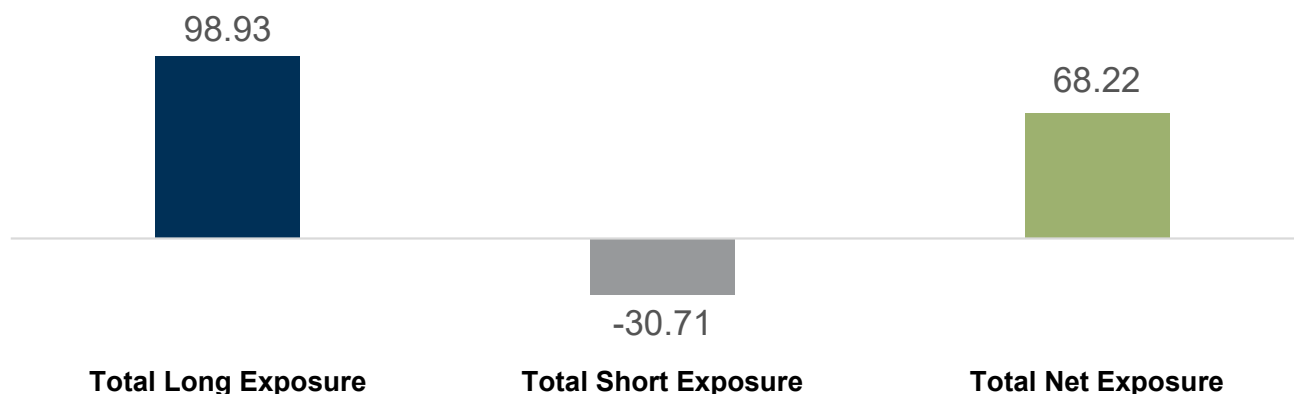
*December 6, 2018.

Data is obtained from FactSet Research Systems and is assumed to be reliable.

CHARACTERISTICS AND SECTOR WEIGHTINGS



EQUITY CHARACTERISTICS (% Fund)



SECTOR WEIGHTINGS (% Fund)	% Long	% Short	% Net	% Index
Financials	31.5	-1.3	30.1	13.7
Information Technology	19.9	-4.5	15.3	27.1
Industrials	13.6	-10.0	3.6	10.0
Consumer Discretionary	8.9	-8.8	0.1	10.9
Consumer Staples	8.7	-2.6	6.1	5.7
Health Care	7.4	0.0	7.4	12.6
Communication Services	7.1	0.0	7.1	8.0
Real Estate	2.1	-3.5	-1.5	3.0
Utilities	0.0	0.0	0.0	2.3
Materials	0.0	0.0	0.0	2.7
Energy	0.0	0.0	0.0	4.0
Total	98.9	-30.7	68.2	100.0

As of 12/31/23. Sector allocations are subject to change. The sector information represented above is based on Russell sector classifications.

Index: The Russell 3000® Index is a market capitalization-weighted index that measures the performance of the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

PERFORMANCE OVERVIEW

AS OF DECEMBER 31, 2023



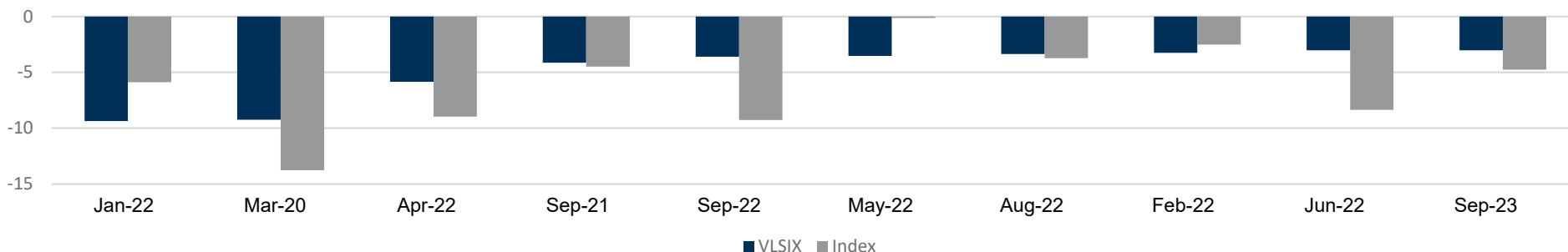
ANNUALIZED PERFORMANCE

	VLSIX	Index	Morningstar US Fund Long-Short Equity (Returns / Funds ranked)
4Q23	5.28	12.07	5.98 / 173
YTD	13.99	25.96	9.94 / 167
1 Year	13.99	25.96	9.94 / 167
3 Year	1.56	8.54	4.28 / 154
5 Year	13.94	15.16	6.02 / 137
Since Inception*	12.99	13.29	5.27 / 137

CALENDAR YEAR PERFORMANCE

	VLSIX	Index	Morningstar US Fund Long-Short Equity (Returns / Funds ranked)
2023	13.99	25.96	9.94 / 167
2022	-18.36	-19.21	-8.35 / 164
2021	12.56	25.66	12.55 / 154
2020	32.52	20.89	5.54 / 146
2019	38.34	31.02	11.95 / 137

MONTHLY RETURNS OF 10 WORST MONTHS SINCE INCEPTION* - 12/31/2023



1/1/2019 – 12/31/2023

	Max Drawdown	Standard Deviation	Sharpe Ratio	Up Capture Ratio	Down Capture Ratio
VLSIX	-22.39	14.47	0.81	71.30	58.17
Index	-24.62	19.13	0.67	100.00	100.00
Morningstar US Fund Long-Short Equity (137 funds)	-12.76	9.53	0.41	46.73	51.90

*Inception: Class I: 12/6/2018.

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.

Class I: The fund class gross expense ratio is 2.02%. The net expense ratio is 1.92%, which reflects a contractual expense reimbursement in effect through 2/28/2024. The net expense ratio minus dividend and interest expenses on short sales and indirect expenses incurred by the underlying funds in which the Fund invests is 1.55%.

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 Russell 3000® Index is a market capitalization-weighted index that measures the performance of the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Source: Morningstar Direct. Statistics defined on page 19.

Quality-Driven Strategies Across Market Caps and Borders

Kayne Anderson Rudnick's investment philosophy is rooted in quality, with a focus on wealth preservation. Decades of management experience has yielded a rigorous definition of quality, which guides where the firm invests, across market caps and geographic regions.

U.S.										INTERNATIONAL/EMERGING MARKETS			GLOBAL		ALTERNATIVE	SPECIALTY
SMALL-CAP			SMALL-MID-CAP			MID-CAP	LARGE-CAP			SMALL-CAP	SMALL-MID-CAP	ALL-CAP	SMALL-CAP	ALL-CAP	LONG/SHORT	HEALTH
VIRTUS KAR SMALL-CAP VALUE FUND	VIRTUS KAR SMALL-CAP CORE FUND*	VIRTUS KAR SMALL-CAP GROWTH FUND	VIRTUS KAR SMALL-MID CAP CORE FUND	VIRTUS KAR SMALL-MID CAP GROWTH FUND	VIRTUS KAR SMALL-MID CAP VALUE FUND	VIRTUS KAR MID-CAP CORE FUND	VIRTUS KAR MID-CAP GROWTH FUND	VIRTUS KAR EQUITY INCOME FUND	VIRTUS KAR CAPITAL GROWTH FUND	VIRTUS KAR EMERGING MARKETS SMALL-CAP FUND	VIRTUS KAR INTERNATIONAL SMALL-MID CAP FUND	VIRTUS KAR DEVELOPING MARKETS FUND	VIRTUS KAR GLOBAL SMALL-CAP FUND	VIRTUS KAR GLOBAL QUALITY DIVIDEND FUND	VIRTUS KAR LONG/SHORT EQUITY FUND	VIRTUS KAR HEALTH SCIENCES FUND
SYMBOL																
A: PQSAX	A: PKSAX	A: PSGAX	A: VKSAX	A: VAKSX	A: VKSDX	A: VMACX	A: PHSKX	A: PDIAX	A: PSTAX	A: VAESX	A: VISAX	A: VDMAX	A: RGSAX	A: PPTAX	A: VLSAX	A: RAGHX
C: PQSCX	C: PKSCX	C: PSGCX	C: VKSCX	C: VCKSX	C: VKSEX	C: VMCCX	C: PSKCX	C: PGICX	C: SSTFX	C: VCESX	C: VCISX	C: VDMCX	C: RGSCX	C: PPTCX	C: VLSGX	C: RCGHX
I: PXQSX	I: PKSFX	I: PXSGX	I: VKSIX	I: VIKSX	I: VKSFX	I: VIMCX	I: PICMX	I: PXIIX	I: PLXGX	I: VIESX	I: VIISX	I: VIDMX	I: DGSCX	I: PIPTX	I: VLSIX	I: HLHIX
R6: VQSRX	R6: VSCRX	R6: VRSGX	R6: VKSRX	R6: VRKSX	R6: VKSGX	R6: VRMCX	R6: VRMGX	R6: VECRX	R6: VCGRX	R6: VRESX	R6: VRISX	R6: VDMRX	P: ARSPX	R6: VGQRX	R6: VLSRX	P: AAAEX
NUMBER OF HOLDINGS																
20-35	20-40	20-40	25-35	20-35	25-35	25-35	25-50	25-50	25-50	30-60	30-60	30-60	40-50	25-50	Long: 20-30 Short: 20-30	40-50
BENCHMARK																
Russell 2000® Value Index	Russell 2000® Index	Russell 2000® Growth Index	Russell 2500™ Index	Russell 2500™ Growth Index	Russell 2500™ Value Index	Russell Midcap® Index	Russell Midcap® Growth Index	MSCI USA High Dividend Yield Index (net)	Russell 1000® Growth Index	MSCI Emerging Markets Small Cap Index (net)	MSCI AC World Ex USA Small Mid Cap Index (net)	MSCI Emerging Markets Index	MSCI World Small Cap Index	Russell Developed Large Cap Index (net)	Russell 3000® Index	MSCI World Health Care Index
INVESTMENT OPPORTUNITY																

KAR believes that superior risk-adjusted returns can be achieved by investing in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

For more information about Kayne Anderson Rudnick's high-conviction, high-quality equity strategies, visit virtus.com or call 800-243-4361.

*Effective July 31, 2018, this Fund is closed to new investors. Please see the prospectus for exceptions.

QUALITY

Return on Equity - Past 5 Years—relates how well the company is using the money invested in it so that it can bring a return to its investors. A high portfolio ROE indicates that the portfolio is invested in historically profitable companies.

Total Debt/EBITDA—is calculated by dividing total debt by earnings before interest, taxes, depreciation, and amortization. It is a measure of a company's ability to pay off its incurred debt.

Earnings Variability - Past 10 Years—measures the volatility of the annual earnings per share over the past 10 years. On a portfolio level, a high EPS variability means the portfolio is heavily invested in companies with volatile earnings. Unlike earnings growth, this statistic looks at the companies' earnings patterns. Newer companies and smaller companies tend to have highly variable earnings.

GROWTH

Earnings/Share Growth—indicates the earnings available to each common share. Earnings/share growth is the growth rate of these earnings per share. On a portfolio level, this statistic measures the trailing earnings per share growth of a portfolio's holdings.

MARKET CHARACTERISTICS

\$ Weighted Average Market Cap—the sum of each security's weight within the fund (or index) multiplied by the security's market capitalization.

Largest Market Cap—provides information about the range of the market capitalization held in the portfolio.

GLOSSARY

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.

Up/Down Capture Ratio—A measure of how well a manager was able to replicate or improve on phases of positive benchmark returns and how badly the manager was impacted by phases of negative benchmark returns.

Sharpe Ratio—A statistic that measures the efficiency, or excess return per unit of risk, of a manager's returns. The greater the Sharpe Ratio, the better the portfolio's risk adjusted return.

Standard Deviation—Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

The 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 effects 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.

The **Russell 1000® Growth Index** is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

The **Russell 2000® Value Index** is a market capitalization-weighted index of value-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **Russell 2000® Index** is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **Russell 2000® Growth Index** is a market capitalization-weighted index of growth-oriented stocks of the smallest 2,000 companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **Russell 2500™ Index** is a market capitalization-weighted index of the 2,500 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **Russell 2500™ Growth Index** is a market capitalization-weighted index of growth-oriented stocks of the 2,500 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **Russell 2500™ Value Index** is a market capitalization-weighted index of value-oriented stocks of the 2,500 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

The **Russell 3000® Index** is a market capitalization-weighted index that measures the performance of the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

The **Russell Developed Large Cap Index** is a free-float market capitalization-weighted index constructed to provide a comprehensive and unbiased barometer for the large-cap segment in the developed world, calculated on a total return basis with net dividends reinvested.

The **Russell Midcap® Index** is a market capitalization-weighted index of medium-capitalization stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **Russell Midcap® Growth Index** is a market capitalization-weighted index of medium-capitalization, growth-oriented stocks of U.S. companies. The index is calculated on a total return basis with dividends reinvested. The Russell 1000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

The **MSCI USA High Dividend Yield Index** is based on the MSCI USA Index, its parent index, and includes large and mid cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends. The index is calculated on a total return basis with net dividends reinvested.

The **MSCI Emerging Markets Small Cap Index (net)** is a free float-adjusted market capitalization-weighted index designed to measure small cap equity market performance in the global emerging markets. The index is calculated on a total return basis with net dividends reinvested.

The **MSCI AC World Ex USA Small Mid Cap Index (net)** is a free float-adjusted market capitalization-weighted index that measures mid- and small-cap performance across 22 of 23 Developed Market countries (excluding the U.S.) and 24 Emerging Markets countries. The index is calculated on a total return basis with net dividends reinvested.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. The index is calculated on a total return basis with gross dividends reinvested.

The **MSCI World Small Cap Index (net)** is a free float-adjusted market capitalization-weighted index that measures small cap equity performance of developed markets. The index is calculated on a total return basis with gross dividends reinvested.

The **MSCI World Health Care Index (net)** is designed to capture the large and mid-cap segments of developed markets. All securities in the index are classified in the Health Care sector as per the Global Industry Classification Standard. The index is calculated on a total return basis with gross dividends reinvested.



Virtus (NYSE: VRTS) is a distinctive partnership of boutique investment managers, singularly committed to the long-term success of individual and institutional investors.

- We are not constrained by a single investment approach; rather, we provide access to independent, specialized investment philosophies through our multi-discipline, multi-strategy approach.
- We have the flexibility, agility, and responsiveness of a boutique asset management firm with similar product breadth and investment talent of our larger peers.
- We are committed to thoughtfully providing investment solutions, adhering to the highest standards of product quality, operational excellence, and fiduciary responsibility.

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](https://www.virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.

Not all products or marketing materials are available at all firms.

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.

3465 2-24 © 2024 Virtus Investment Partners, Inc.