

**VIRTUS FUNDS**—I Shares as of 3/31/17

		Overall	3 Year	5 Year	10 Year
<b>Virtus Newfleet Bond Fund</b> SAVYX	<i>Intermediate-Term Bond</i> Notes: 2,6,7,8,15	★★★★★ 851 funds	★★★★ 851 funds	★★★★★ 750 funds	★★★★★ 538 funds
<b>Virtus Vontobel Emerging Markets Opportunities Fund</b> HIEMX	<i>Diversified Emerging Mkts.</i> Notes: 1,2,3,4,15	★★★★★ 629 funds	★★★★★ 629 funds	★★★★★ 429 funds	★★★★★ 177 funds
<b>Virtus KAR Emerging Markets Small-Cap Fund</b> VIESX	<i>Diversified Emerging Mkts.</i> Notes: 1,2,3,5,15	★★★★★ 629 funds	★★★★★ 629 funds	N/A	N/A
<b>Virtus Vontobel Foreign Opportunities Fund</b> JVXIX	<i>Foreign Large Growth</i> Notes: 1,2,3,15	★★★★★ 324 funds	★★★★★ 324 funds	★★★★ 276 funds	★★★★★ 191 funds
<b>Virtus Vontobel Global Opportunities Fund</b> WWOIX	<i>World Stock</i> Notes: 1,2,3,4,15	★★★★★ 839 funds	★★★★★ 839 funds	N/A	N/A
<b>Virtus Duff &amp; Phelps Global Real Estate Securities Fund</b> VGISX	<i>Global Real Estate</i> Notes: 1,2,3,12,15	★★★★★ 185 funds	★★★★★ 185 funds	★★★★★ 150 funds	N/A
<b>Virtus Vontobel Greater European Opportunities Fund</b> VGEIX	<i>Europe Stock</i> Notes: 1,2,3,4,15	★★★★★ 92 funds	★★★★★ 92 funds	★★★★★ 78 funds	N/A
<b>Virtus Herzfeld Fund</b> VHFIX	<i>Alloc. 50% to 70% Equity</i> Notes: 1,2,6,13,14,15	★★★★★ 721 funds	★★★★★ 721 funds	N/A	N/A
<b>Virtus Newfleet High Yield Fund</b> PHCIX	<i>High Yield Bond</i> Notes: 2,3,6,7,15	★★★★★ 596 funds	★★★★★ 596 funds	N/A	N/A
<b>Virtus KAR International Small-Cap Fund</b> VIISX	<i>Foreign Small/Mid Blend</i> Notes: 1,2,3,5,15	★★★★★ 79 funds	★★★★★ 79 funds	N/A	N/A
<b>Virtus Newfleet Low Duration Income Fund</b> HIBIX	<i>Short-Term Bond</i> Notes: 2,6,7,8,15	★★★★★ 444 funds	★★★★★ 444 funds	★★★★★ 359 funds	★★★★★ 257 funds
<b>Virtus KAR Mid-Cap Core Fund</b> VIMCX	<i>Mid-Cap Growth</i> Notes: 1,3,5,15	★★★★★ 580 funds	★★★★★ 580 funds	★★★★★ 500 funds	N/A
<b>Virtus Newfleet Multi-Sector Intermediate Bond Fund</b> VMFIX	<i>Multisector Bond</i> Notes: 2,6,7,8,9,15	★★★★★ 227 funds	★★★★★ 227 funds	★★★★★ 174 funds	N/A
<b>Virtus Newfleet Multi-Sector Short Term Bond Fund</b> PIMSX	<i>Short-Term Bond</i> Notes: 2,6,7,8,9,15	★★★★★ 444 funds	★★★★★ 444 funds	★★★★★ 359 funds	N/A
<b>Virtus KAR Small-Cap Value Fund</b> PXQSX	<i>Small Growth</i> Notes: 1,3,5,15	★★★★★ 599 funds	★★★★★ 599 funds	★★★★★ 527 funds	★★★★★ 386 funds
<b>Virtus Duff &amp; Phelps Real Estate Securities Fund</b> PHRIX	<i>Real Estate</i> Notes: 1,3,12,15	★★★★★ 234 funds	★★★★ 234 funds	★★★★ 205 funds	★★★★★ 137 funds
<b>Virtus KAR Small-Cap Core Fund</b> PKSFX	<i>Small Growth</i> Notes: 1,3,5,15	★★★★★ 599 funds	★★★★★ 599 funds	★★★★★ 527 funds	★★★★★ 386 funds
<b>Virtus KAR Small-Cap Growth Fund</b> PXSGX	<i>Small Growth</i> Notes: 1,3,5,15	★★★★★ 599 funds	★★★★★ 599 funds	★★★★★ 527 funds	★★★★★ 386 funds
<b>Virtus Newfleet Tax-Exempt Bond Fund</b> HXBIX	<i>Muni National Intern.</i> Notes: 6,7,10,11,15	★★★★★ 256 funds	★★★★★ 256 funds	★★★★★ 224 funds	★★★★★ 150 funds

Listed funds are all Class I Virtus Funds which have a 4 or 5 star overall rating, as of 3/31/17.

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Effective May 8, 2017 all of the Funds shown, excluding the Virtus Herzfeld Fund, changed their names.

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.

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#### IMPORTANT RISK CONSIDERATIONS:

<sup>1</sup>**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 or medium-sized companies may enhance that risk.

<sup>2</sup>**Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

<sup>3</sup>**Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

<sup>4</sup>**Geographic Concentration:** A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location.

<sup>5</sup>**Limited Number of Investments:** Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund.

<sup>6</sup>**Credit & Interest:** Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

<sup>7</sup>**High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

<sup>8</sup>**ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.

<sup>9</sup>**Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times.

<sup>10</sup>**Municipal Market:** Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

<sup>11</sup>**State & AMT Tax:** A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

<sup>12</sup>**Real Estate:** The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management.

<sup>13</sup>**Fund of Funds:** Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

<sup>14</sup>**Closed-end Funds:** Closed-end funds may trade at a discount from their net asset values, which may affect whether the fund will realize gains or losses. They may also employ leverage, which may increase volatility.

<sup>15</sup>**Prospectus:** For additional information on risks, please see the fund’s prospectus.

**Strong ratings are not indicative of positive fund performance. Past performance is no guarantee of future results.**

**Please carefully consider a Fund’s investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit [Virtus.com](http://Virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.**

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