

Fund Information

Symbol and CUSIP

| | | |
|----------|-------|-------------|
| A shares | PHSKX | (92828N767) |
| C shares | PSKCX | (92828N742) |
| I shares | PICMX | (92828N734) |

Investment Adviser

Virtus Investment Advisers, Inc.

Investment Subadviser

Kayne Anderson Rudnick Investment Management, LLC

| | |
|---------------------------|---------------|
| AUM (\$ millions) | 89.9 |
| Number of Holdings | 46 |
| Dividends | Semi-Annually |

Investment Professionals

Douglas S. Foreman, CFA
 Industry start date: 1989
 Start date with Fund: 2012

INVESTMENT OPPORTUNITY

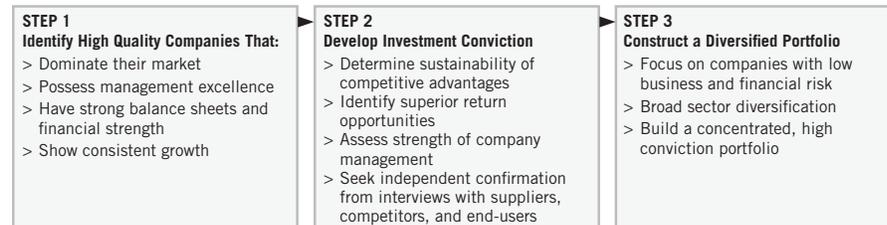
This fund pursues long-term capital appreciation in the mid-cap sector with equal or less volatility than the Russell MidCap Growth Index.

The fund invests in a select group of mid-cap companies believed to be undervalued relative to their future growth potential.

The investment strategy emphasizes companies with a competitive advantage, strong management and low financial risk that are able to grow over market cycles, despite their discounted valuations.

Effective May 8, 2017 this fund changed its name from the Virtus Mid-Cap Growth Fund.

Investment Process



Average Annual Total Returns Class A as of 03/31/2017 in percent

| | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since Inception 12/31/1975 |
|-------|-------|-------|--------|--------|--------|---------|----------------------------|
| NAV | 11.59 | 11.59 | 13.86 | 7.04 | 8.42 | 4.33 | 10.93 |
| POP | 5.17 | 5.17 | 7.32 | 4.95 | 7.14 | 3.71 | 10.77 |
| Index | 6.89 | 6.89 | 14.07 | 7.88 | 11.95 | 8.13 | n/a |

The fund class gross expense ratio is 1.49%. The net expense ratio is 1.40%, which reflects a contractual expense reimbursement in effect through 4/30/2018.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge of 5.75%. 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.

Annual Performance Class A at NAV in percent

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|------|
| Fund | 1.40 | -45.03 | 43.57 | 22.84 | -7.29 | 15.26 | 24.80 | 3.75 | 2.57 | 1.90 |
| Index | 11.43 | -44.32 | 46.29 | 26.38 | -1.65 | 15.81 | 35.74 | 11.90 | -0.20 | 7.33 |

Growth of \$10,000 Class A for the period ending 03/31/2017 Actual initial investment \$9,425



This chart assumes an initial investment of \$10,000 made on Dec 31, 1975 for Class A shares including any applicable sales charges. Performance assumes reinvestment of dividends and capital gain distributions.

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

Index: 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 index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

| Top Ten Holdings | % Fund |
|------------------------------|--------|
| Ellie Mae, Inc. | 4.65 |
| MercadoLibre, Inc. | 4.53 |
| Domino's Pizza, Inc. | 4.24 |
| Netflix, Inc. | 4.17 |
| Monster Beverage Corporation | 4.12 |
| MarketAxess Holdings Inc. | 4.07 |
| Pool Corporation | 3.56 |
| Amphenol Corporation Class A | 3.34 |
| Wynn Resorts, Limited | 3.11 |
| Gartner, Inc. | 3.03 |

| Sector Allocations | % Equity |
|------------------------|----------|
| Consumer Discretionary | 27.70 |
| Technology | 22.82 |
| Producer Durables | 12.32 |
| Financial Services | 11.87 |
| Health Care | 10.64 |
| Consumer Staples | 9.06 |
| Energy | 4.70 |
| Materials & Processing | 0.89 |

| Characteristics | Fund |
|----------------------------------|---------|
| Average Weighted Market Cap (bn) | \$13.56 |
| Median Market Cap (bn) | \$9.24 |
| Trailing P/E | 35.68x |
| Price-to-Cash Flow | 27.44 |
| Price-to-Book Value | 4.74 |
| 3-Year EPS Growth Rate | 7.20 |

Risk Statistics

| Class A 3-Year | Fund | Index |
|--------------------|-------|-------|
| R ² | 0.85 | 1.00 |
| Beta | 1.10 | 1.00 |
| Standard Deviation | 14.04 | 11.71 |

GLOSSARY

R²: A measurement of how closely a portfolio's performance correlates with the performance of a benchmark index.

Beta: A quantitative measure of the volatility of a given portfolio to the overall market. Higher beta suggests higher volatility.

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

Trailing P/E: Per-share stock price divided by the latest 12-months Earnings per Share.

Price/Cash Flow: Per-share stock price divided by the per-share operating cash flow.

Price/Book: Per-share stock price divided by the latest 12-month per-share Book Value.

3-Year EPS Growth Rate: Average of earnings per share growth for latest 3-year period. The 3-Year EPS Growth Rate is not a forecast of the portfolio's performance.

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 or medium-sized companies may enhance that risk. **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. **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. **Prospectus:** For additional information on risks, please see the fund's prospectus.

Holdings and Sector weightings are subject to change.

Investment Manager of the Fund

Kayne Anderson Rudnick believes that superior risk-adjusted returns may be achieved through investment in high-quality companies with market dominance, excellent management, financial strength, and consistent growth, purchased at reasonable prices.

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 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.

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