

Fund Information

Symbol and CUSIP

A shares	VMSAX	(92835M794)
C shares	VCMSX	(92835M786)
I shares	VMSIX	(92835M778)

Investment Adviser

Virtus Alternative Investment Advisers, Inc.

Investment Subadviser

Aviva Investors Americas LLC

Fund Inception Date

7/20/15

Dividends

Semi-Annually

Investment Professionals

Chair of the Strategic Investment Group

Euan Munro, FIA

Portfolio Managers

Peter Fitzgerald, CFA

Industry start date: 1995

Start date with Fund: 2015

Dan James

Industry start date: 1995

Start date with Fund: 2015

Ian Pizer, Ph.D., CFA

Industry start date: 2002

Start date with Fund: 2015

Brendan Walsh, Ph.D., PRM

Industry start date: 2006

Start date with Fund: 2015

INVESTMENT OPPORTUNITY

The Fund seeks to deliver a positive return of 5% per annum above the Fed Funds Target Rate, on a gross of fees basis, on average, over rolling three year periods, regardless of the prevailing stock market environment. In seeking to target this level of return, the Fund also aims to manage volatility to a target of less than half that of global equities, measured over the same rolling three year periods. The Fund may be suitable for investors who seek a benchmark-agnostic core investment that stretches across traditional and non-traditional asset classes.

Effective May 8, 2017 this Fund changed its name from the Virtus Multi-Strategy Target Return Fund.

Investment Process

STEP 1

Develop a macro house view that drives investment decision making

STEP 2

Bottom-up investment process seeks to divide opportunities into three buckets:

1. Strategies driven by the differences between the house view and what the rest of the market believes
2. Strategies seeking to exploit market mispricings
3. Risk-reducing strategies anticipated to perform well during times of market stress, including times when the house view does not play out



STEP 3

A combination of both quantitative risk modeling and qualitative assessment determines overall portfolio construction, viewed through a contribution-to-risk framework, rather than a traditional asset allocation lens

Portfolio construction is anchored by three principles:

1. Is the portfolio structured to meet the stated risk-return profile?
2. Does the portfolio deliver substantial liquidity?
3. Is the portfolio scalable?

Construct portfolio of 25-35 strategies

Average Annual Total Returns Class A as of 3/31/2017 in percent

	QTD	YTD	1 Year	Since Inception 7/20/2015
NAV	-1.62	-1.62	1.16	-1.12
POP	-7.28	-7.28	-4.66	-4.51
Index	0.12	0.12	0.33	0.26

The fund class gross expense ratio is 2.35%. The net expense ratio is 1.74%, which reflects a contractual expense reimbursement in effect through 4/30/18. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.69%.

Benchmark since inception performance is reported from 7/31/2015.

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.

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.

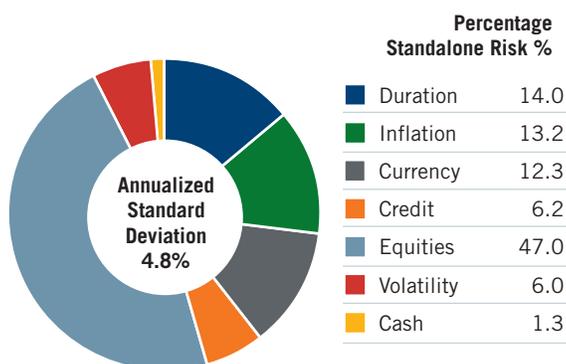
Index: The Federal Funds Rate is the interest rate paid on overnight loans made between depository institutions. This index is the weighted average of rates on brokered trades and represents the arithmetic mean of all daily rates for a given month. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Top Ten Strategies by Risk

	Contribution to Risk %
Equities - Europe	2.3
Equities - EM Equity	1.1
Duration - US Steepener	1.0
Inflation - GBP 5Y5Y Inf	0.9
Inflation - US Relative Value	0.9
Inflation - USD 10Y Inf	0.9
Inflation - US Real Rates	0.8
Equities - Resources	0.7
Currency - South Africa	0.5
Equities - US	0.5

Source: Aviva Investors. Top Ten Strategies by Risk, as measured by Annualized Position Volatility, and Portfolio Risk Breakdown are subject to change.

Portfolio Risk Breakdown by Risk Factor



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.

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

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

Correlation Coefficient: 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.

Characteristics Since Inception 7/21/15-3/31/17

	Max Drawdown (%)	Standard Deviation (%)	Beta to MSCI ACWI Index	Beta to S&P 500® Index	Correlation to MSCI ACWI Index	Correlation to S&P 500® Index
VMSIX	-4.3	3.9	0.1	0.1	0.4	0.4
S&P 500® Index	-13.0	15.5	1.0	1.0	0.9	1.0
MSCI ACWI Index	-17.4	17.0	1.0	0.8	1.0	0.9

Source: Virtus Performance & Analytics. Past performance is no guarantee of future results. MPT statistics are calculated using daily returns.

Investment Manager of the Fund

Aviva Investors is the global asset management business of Aviva plc. The business delivers investment management solutions and services to clients worldwide. Aviva Investors operates in 15 countries in Asia Pacific, Europe, North America, and the United Kingdom as of June 30, 2016, with assets under management of \$425.0 billion as of December 31, 2016.

Aviva Investors Americas LLC (AIA) is the named subadviser to the Virtus Aviva Multi-Strategy Target Return Fund and utilizes the services of Aviva Investors Global Services Limited (AIGSL) and its other affiliates (collectively, Aviva Investors) to manage the Fund. Each affiliate entered into a Memorandum of Understanding ("MOU") with AIA and these affiliates are Participating Affiliates as that term is used in relief granted by the SEC. The Co-Portfolio Managers listed are located in London and are employees of AIGSL.

The portfolio managers utilize derivatives to implement the majority of the fund's investment strategies. Considering each investment strategy's contribution to overall risk may present a clearer picture of how the fund is positioned relative to each investment's market value. Risk is defined as volatility, as calculated by RiskMetrics, and is a one month annualized standard deviation, which measures dispersion of returns. It may not be indicative of future risk, and is not a predictor of returns.

The **S&P 500® Index** is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The **MSCI AC World Index (net)** is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets. The indexes are 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 are not available for direct investment.

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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **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. **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. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded. **Counterparties:** There is risk that a party upon whom the fund relies to complete a transaction will default. **Portfolio Turnover:** The fund's principal investments strategies will 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 fund shares are held in a taxable account. **Prospectus:** For additional information on risks, please see the fund's prospectus.

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.

Distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

1117 5-17 © 2017 Virtus Investment Partners, Inc.