

Class A: PWBAX
Class C: PWBCX
Class I: VARIX

The Virtus Trend Suite implements proprietary Dorsey, Wright & Associates technical analysis in rigorously constructed, risk-managed portfolios with the objective of delivering attractive long-term returns while limiting losses during periods of major market declines.

Participate and Protect

- Equity investors seek attractive long-term capital appreciation, but the volatility often associated with equities can make it hard to stay the course during choppy or falling markets.
- A “participate and protect” mandate recognizes that sometimes the best offense is a good defense. It seeks to deliver equity-like returns over a full market cycle but with a smoother ride.
- All funds in the Virtus Trend Suite employ the same simple three-step process.

1
DWA

RANK
market components by **relative strength** price momentum

- Dorsey, Wright & Associates (DWA) employs its proprietary Relative Strength price momentum model to rank and select market components



2
VIA

ASSESS
each sector based on its **200 Day Moving Average**

- Virtus Investment Advisers (VIA) then evaluates each sector’s absolute momentum based on whether it is above or below its 200 day moving average

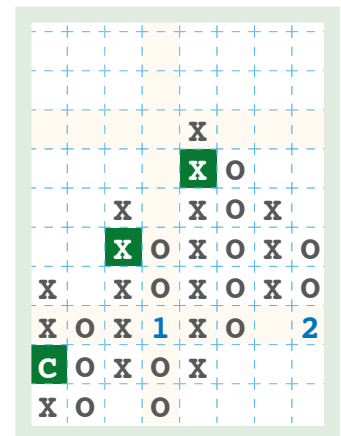
3
VIA

BUILD
according to the rules designed to prioritize sectors showing the strongest momentum

- The portfolio is built according to pre-specified rules which allocate to the top-ranked market components

The Value of Relative Strength

- Unlike fundamental analysis, which focuses on corporate fundamentals, relative strength—or technical price momentum—analysis uses Point & Figure methodology to evaluate securities through a simple but powerful lens on supply and demand.
- By understanding supply and demand dynamics, we can develop an unbiased view of the real-time forces which drive prices higher or lower. This applies to not only stocks, but to sectors and asset classes.
- Both academic research and practical application have demonstrated that a systematic execution of momentum investing is an enduring source of value in driving attractive long-term investment results.



DWA's Point & Figure charting identifies trends

Effective May 11, 2015 this fund changed its strategy and its name. This document reflects the new investment process.

How It Works

The investment process for the Virtus Sector Trend Fund will produce an overall risk profile which varies under different market conditions as the rules of the model mandate.

1
DWA | **RANK**
9 sectors of the S&P 500®
by **relative strength** price
momentum

Consumer
Discretionary

Consumer
Staples

Energy

Financials

Health Care

Industrials

Technology/
Telecom

Materials

Utilities

2
VIA | **ASSESS**
each sector based
on its own **200 Day**
Moving Average

+

If the sector exhibits
positive momentum,
it gets an allocation

-

If the sector exhibits
negative momentum,
it is removed from the
allocation

3 VIA

BUILD

according to the rules designed to prioritize sectors showing the strongest price momentum

ALLOCATE

capital to positive sectors according to ranking

RE-ALLOCATE

capital from negative sectors to positive sectors, based on relative strength, up to 20% per sector

RE-ALLOCATE

capital from negative sectors to cash equivalents, up to a max of 100%

9 SECTORS ON



8 SECTORS ON



7 SECTORS ON



6 SECTORS ON



5 SECTORS ON



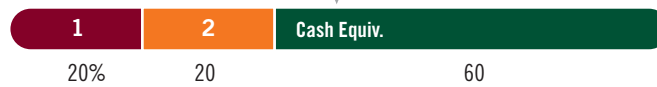
4 SECTORS ON



3 SECTORS ON



2 SECTORS ON



1 SECTOR ON



0 SECTORS ON



100%

The Virtus Trend Funds are an attractive component of a diversified portfolio. The rules-based, transparent process creates a clear expectation for the Fund's risk profile, allowing investors to select and size accordingly relative to their other portfolio exposures.

For more information, please contact your financial advisor, visit Virtus.com, or call 1-800-243-4361.

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. **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. **Allocation:** The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets. **Prospectus:** For additional information on risks, please see the fund's prospectus.

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