
Virtus DFA Target Date Retirement Income Funds



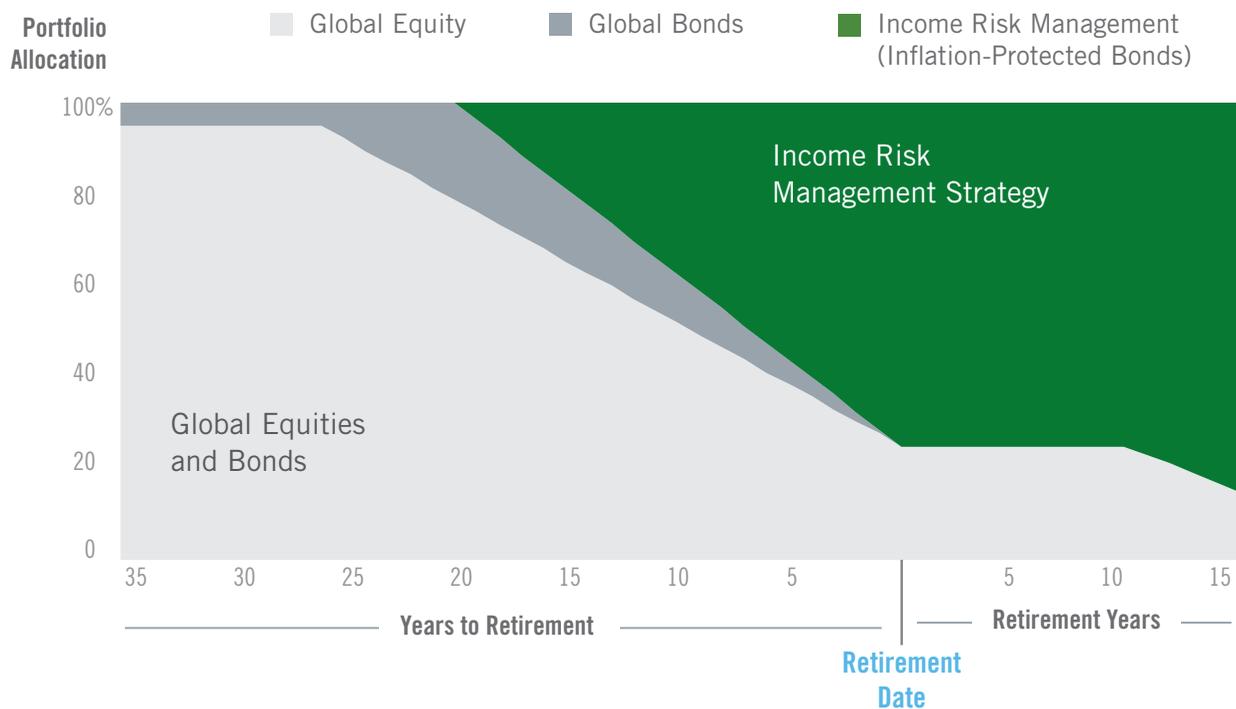
The most important calculation an investor can make is how much annual income they will need in retirement. Estimating that number—let alone achieving it—is a daunting task.

Human Capital and Asset Allocation

The Virtus DFA Target Date Retirement Income Funds are based on lifecycle research in financial economics. A key principle is that people make saving and investment decisions based on two main sources of wealth: financial capital (current savings) and human capital (expected savings from future earnings). The balance changes over time, with young investors typically having more human capital than financial capital, and those closer to retirement usually having more financial capital than human capital.

The Funds' strategy glide path considers the implications of this research, in an effort to effectively manage the tradeoff between investments expected to grow assets and those that may help manage risk around retirement income—both while a participant is working and throughout retirement. In a participant's early working years, the focus is on income-growth assets—a diversified portfolio of stocks and bonds. Over time, more portfolio assets are invested in inflation-protected securities to help manage future retirement income risk.

UNDERSTANDING THE GLIDE PATH



Glide path based on expectation of the Virtus DFA Target Date Retirement Income Funds' asset allocation changes over time. The actual asset allocations utilized by each fund may deviate from the allocations illustrated by this glide path.

Building a Solution

A good retirement income solution should take into account the risks that affect retirement income, such as rising inflation—which reduces purchasing power—and changes in interest rates—which influence how much income savings can generate. A solution should also enable a plan sponsor to provide meaningful estimates of future retirement income—information that can help participants make better decisions about the savings rate needed to achieve their desired level of consumption during retirement.

Virtus partnered with Dimensional Fund Advisors to develop the Virtus DFA Target Date Retirement Income Funds, which are structured to help plan participants invest toward future retirement income, with a focus on managing the risks that may affect that income. This is akin to liability-driven investment strategies employed by institutional investors to immunize long-term liabilities.

Imagine building “slices” of inflation-protected income targeted for each year in retirement. Each contributed dollar is invested toward effectively managing retirement income risk.

The investments made by plan participants are allocated such that they gradually shift from income-growth to income risk management assets as participants approach retirement. At retirement, the Funds strive to help support participants’ income needs while continuing to manage relevant risks in order to help avoid unpleasant surprises—like inflation and changes in interest rates.

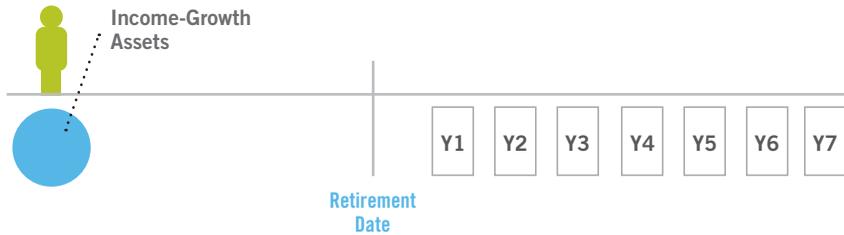
WHAT ARE INCOME SLICES?

An income slice is one dollar of inflation-adjusted income received annually from retirement through expected lifespan, and is composed of contributions together with investment performance.

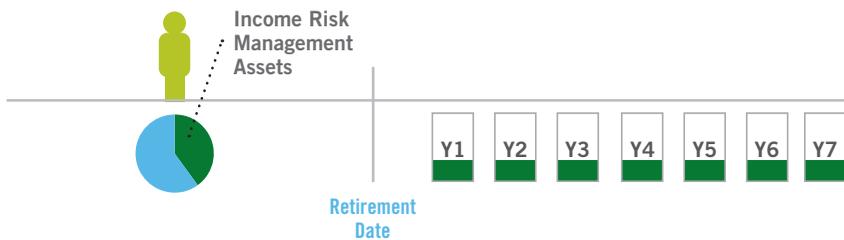


How It Works

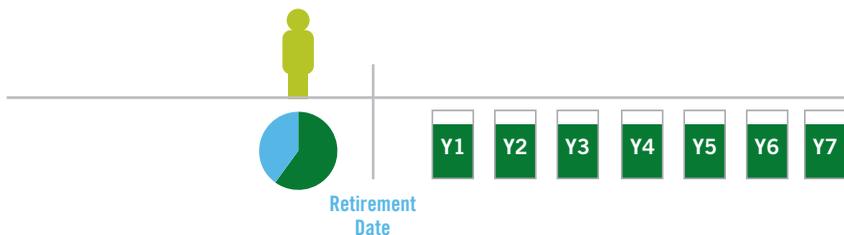
EARLY YEARS—Contributions are invested primarily in income-growth assets (a diversified portfolio of global equities and fixed income), which seek to increase in value over time.



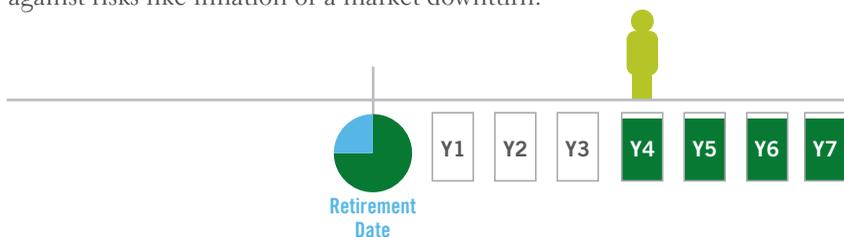
LATER YEARS—Any increase in value of the income-growth assets can be invested toward more inflation-protected securities later in a participant's career.



APPROACHING RETIREMENT—The investment focus shifts from income growth to income risk management, with more portfolio assets invested in inflation-protected securities to help manage future retirement income risk.



IN RETIREMENT—As the participant begins spending income, the portfolio remains focused on income risk management assets in an effort to guard against risks like inflation or a market downturn.



The Virtus DFA Target Date Retirement Income Funds are a next generation solution, which strive to reduce uncertainty around income in retirement. We believe this income-focused strategy can bring greater clarity to retirement for both participants and retirees.

To learn more about the Virtus DFA Target Date Retirement Income Funds, please contact us at 1-800-243-4361 or visit [Virtus.com](https://www.virtus.com).

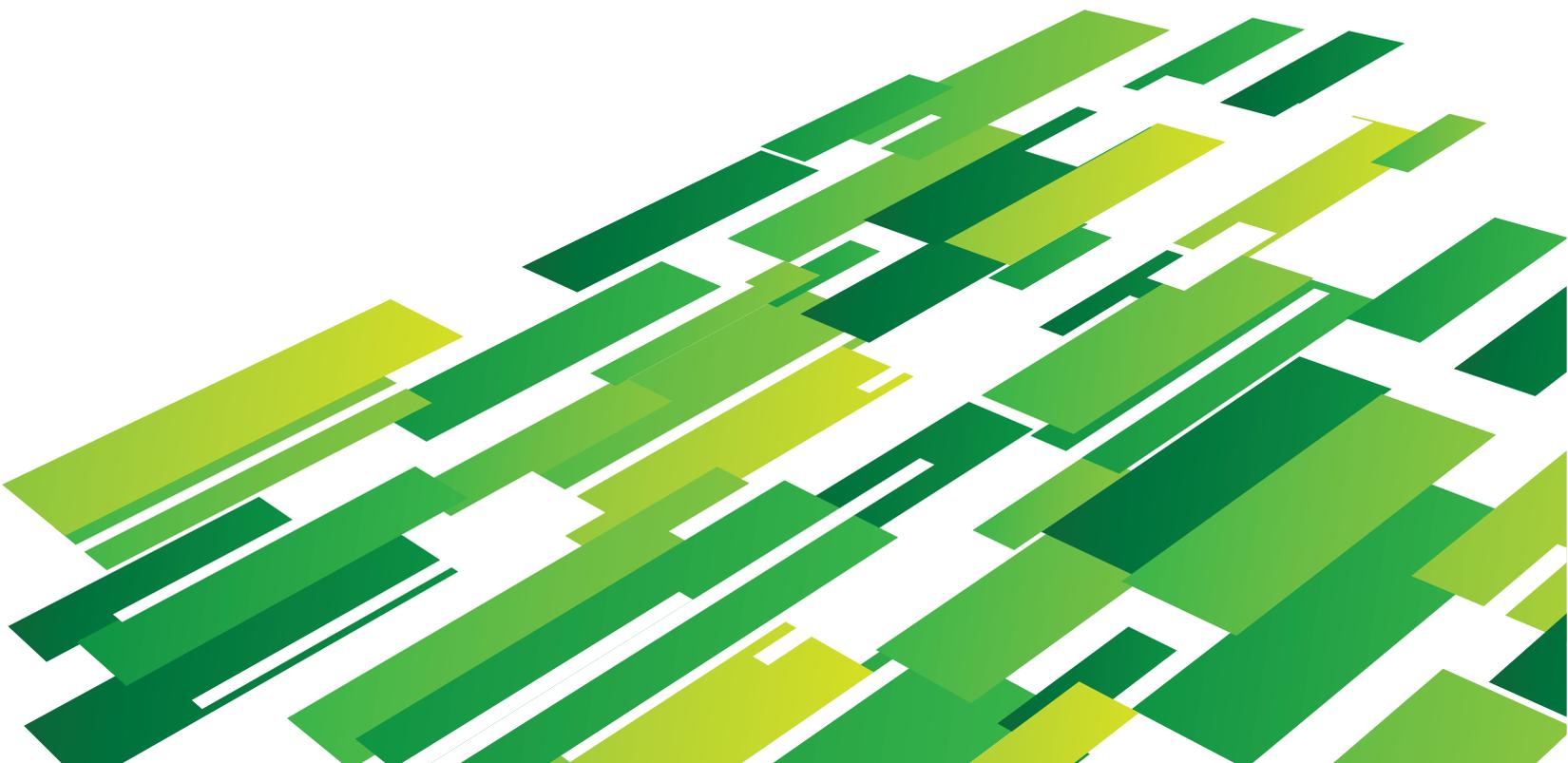
Virtus DFA Target Date Retirement Income Funds help investors:



Understand how decisions today can affect tomorrow's retirement

Have confidence that market, interest rate, and inflation risks are being managed leading up to and throughout retirement

Better estimate the level of retirement income that may be supported by their savings





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. **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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Inflation Protected Securities:** Inflation protected securities may react differently from other debt securities to changes in interest rates. **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. **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). **See the Prospectus:** For additional information on risks, please see the fund's prospectus.

Investments in target date funds are subject to the risks of their underlying funds, and asset allocations are subject to change over time in accordance with each fund's prospectus. An investment in or retirement income from a target date portfolio is not guaranteed at any time, including on or after the target date. An investment in a target date portfolio does not eliminate the need for investors to decide—before investing and periodically thereafter—whether the portfolio fits their financial situation. For more information, please refer to the prospectus.

A liability-driven investment (LDI) strategy is designed to focus on assets that match future liabilities. LDI strategies contain certain risks that prospective investors should evaluate and understand prior to making a decision to invest. These risks may include, but are not limited to, interest rate risk, counterparty risk, liquidity risk, and leverage risk.

The information provided does not constitute investment advice, and it should not be relied upon as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status, or investment horizon. You should consult your tax and financial advisors. All material has been obtained from sources believed to be reliable. There is no representation or warranty as to the accuracy of the information, and neither Dimensional Fund Advisors, nor Virtus Investment Partners, nor any of its affiliates shall have liability for decisions based on such information.

Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission and provides subadvisory services to Virtus Investment Partners for the Virtus DFA Target Date Retirement Income Funds.

Investors should carefully consider the investment objectives, risks, charges, and expenses of any Virtus Mutual Fund before investing. The prospectus and summary prospectus contain this and other information about the Fund. Please contact your financial representative, call 1-800-243-4361, or visit www.virtus.com to obtain a current prospectus and/or summary prospectus. You should read the prospectus and/or summary prospectus carefully before you invest or send money.

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