

INVESTMENT OVERVIEW

The Fund seeks attractive returns by investing in companies that specialize in water technologies to address the global water crisis: less than 1% of the earth's water is potable and global demand is rising. Actively managed and attuned to environmental, social, and governance (ESG) metrics, the Fund focuses on market leaders that look to improve water supply, efficiency, and quality.

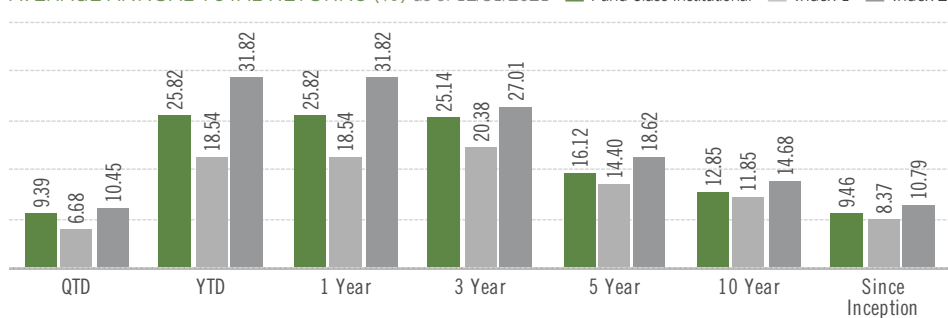
KEY FEATURES

Precision Exposure to Sustainable Water — Targets and invests only in pure-play companies, committed to solving water scarcity, increasing water quality, and enhancing water efficiency. Investors can benefit fully from the secular growth trend that the water theme represents

A Resilient Portfolio in Ever-Changing Market Conditions — The Fund focuses on high-quality water stocks backed by strong structural drivers, seeking to deliver stability in difficult market environments while generating attractive long-term growth

Time-Tested Experience in Water and SDG Investing — The investment team has over a decade of expertise in water investing, and a recurring dialogue with global water leaders. The Fund is aligned to four of the 17 United Nations Sustainable Development Goals (SDG), with a focus on Goal 6 'Clean Water and Sanitation' offering potential exposure to financial, environment, and social alpha

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/2021



Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See virtus.com for details.

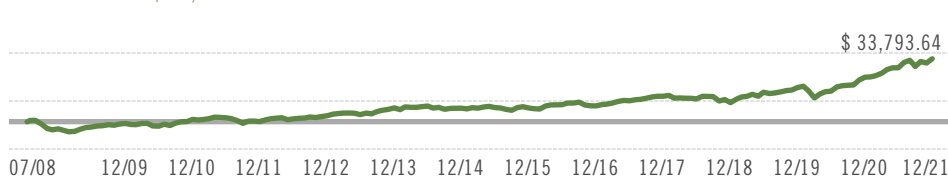
The fund class gross expense ratio is 1.27%. The net expense ratio is 0.93%, which reflects a contractual expense reimbursement in effect through 2/1/2023.

Average annual total return is the annual compound return for the indicated period and reflects the change in share price and the reinvestment of all dividends and capital gains. Returns for periods of one year or less are cumulative returns.

ANNUAL PERFORMANCE (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund	25.82	17.01	33.12	-12.23	22.71	5.13	0.59	-0.84	24.18	21.88
Index 1	18.54	16.25	26.60	-9.41	23.97	7.86	-2.36	4.16	22.80	16.13
Index 2	31.82	16.12	33.86	-9.82	27.10	6.83	-1.50	4.08	26.70	20.72

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 7/15/2008. As of 12/31/2021 the fund value would have been \$33,793.64. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Effective February 1, 2021, this fund's name and investment adviser have changed. The fund's distributor is now VP Distributors, LLC.

FUND INFORMATION

	Ticker	CUSIP
A Shares	AWTAX	92838V494
C Shares	AWTCX	92838V486
Institutional Shares	AWTIX	92838V460
P Shares	AWTPX	92838V478

Inception Date	07/15/08
AUM (\$ millions)	1,129.6
Number of Holdings	40
Dividends	Annually
Morningstar Category	Natural Resources
Lipper Category	Specialty/Miscellaneous Funds
Index 1	MSCI AC World Index (net)
Index 2	S&P Global Water Index (net)

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★★	107
3 Year	★★★★★	107
5 Year	★★★★★	99
10 Year	★★★★★	87

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER

Allianz 
Global Investors

At Allianz Global Investors, active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs. Active is: Allianz Global Investors

PORTFOLIO MANAGER

Andreas Fruschki, CFA
Industry start date: 2000
Start date as Fund Portfolio Manager: 2008

CHARACTERISTICS

	Fund	Index
Avg. Weighted Market Cap (bn)	39.11	382.00
Median Market Cap (bn)	15.46	6.70
Trailing P/E Ex-Negative Earnings	33.24	19.74
Price-to-Cash Flow	25.95	21.59
Price-to-Book Value	6.04	5.95
3-Year EPS Growth Rate	12.37	15.36
5-Year EPS Growth Rate	8.84	12.31
Active Share	98.31	n/a

Index: MSCI AC World Index (net)

RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	7.29	n/a
Beta	0.81	1.00
R ²	0.80	1.00
Sharpe Ratio	1.58	1.15
Standard Deviation	15.26	16.84

Index: MSCI AC World Index (net)

TOP TEN HOLDINGS

	% Fund
American Water Works Company, Inc.	5.69
Xylem Inc.	5.40
Alfa Laval AB	4.98
Geberit AG	4.29
Thermo Fisher Scientific Inc.	3.82
IDEX Corporation	3.70
Danaher Corporation	3.67
Halma plc	3.49
Georg Fischer AG	3.30
Severn Trent Plc	3.24

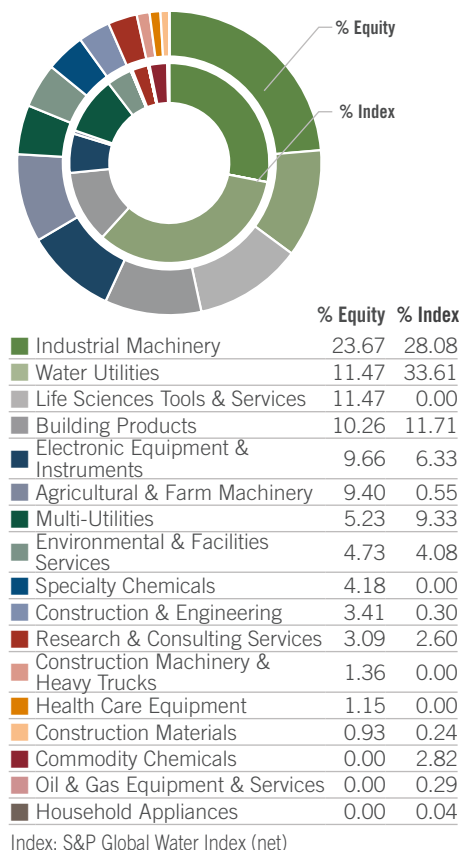
REGION BREAKDOWN

	% Fund	% Index
North America	62.09	55.06
Europe ex-UK	25.02	21.69
United Kingdom	9.20	15.75
Pacific ex-Japan	1.91	1.40
Japan	1.79	2.57
EM Asia	0.00	2.56
EM Latin America	0.00	0.98

Index: S&P Global Water Index (net)

Holdings and sector weightings are subject to change.

SECTOR ALLOCATIONS



IMPORTANT RISK CONSIDERATIONS

Market Volatility: Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended. **Issuer Risk:** The portfolio will be affected by factors specific to the issuers of securities and other instruments in which the portfolio invests, including actual or perceived changes in the financial condition or business prospects of such issuers. **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. **Water-Related Risk:** Because the portfolio focuses its investments in water-related companies, it is particularly affected by events or factors relating to this sector, which may increase risk and volatility. **Focused Investments:** To the extent the portfolio focuses its investments on a limited number of issuers, sectors, industries or geographic regions, it may be subject to increased risk and volatility. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **Sustainable Investing:** Because the portfolio focuses on investments in companies that the Manager believes exhibit strong environmental, social, and corporate governance records, the portfolio's universe of investments may be smaller than that of other portfolios and broad equity benchmark indices. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Avg. Weighted Market Cap (bn): The total dollar market value of all of a company's outstanding shares. **Trailing P/E Ex-Negative Earnings:** Per share stock price divided by the latest 12-months earnings per share. **Price-to-Cash Flow:** Per-share stock price divided by the per-share operating cash flow. **Price-to-Book Value:** A ratio used to compare a stock's market value to its book value. **3-Year EPS Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year EPS Growth Rate:** Average of earnings per share growth for latest 5-year period. **Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R²:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

INDEX DEFINITION

Index 1: 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 index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Index 2: The S&P Global Water Index (net) is a modified capitalization-weighted index comprised of 50 of the largest publicly traded companies in water-related businesses that meet specific invest ability requirements. The index is designed to provide liquid exposure to the leading publicly-listed companies in the global water industry, from both developed markets and emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Morningstar RatingTM 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. Ratings do not take into account the effect of sales charges and loads.

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