

**INVESTMENT OVERVIEW**

The Fund seeks attractive long-term competitive returns by investing in a portfolio of healthcare companies which strive to deliver innovative and cost effective solutions. Stock selection and portfolio construction is driven by high conviction growth, quality, valuation, and ESG risk criteria.

**KEY FEATURES**

**Rapid Growth Opportunity** — The Fund seeks to capitalize on the rapid growth in global healthcare spending due to impact from COVID-19, coupled with an aging society — the world's population over age 60 is expected to triple by 2050, necessitating the need for biopharma breakthroughs, smarter science and development, and technology-enabled care delivery

**High-Conviction Portfolio** — A top-down and bottom-up fundamental approach is used to construct a global portfolio of 45 to 75 high-quality healthcare companies, addressing themes such as innovative biotechnology and pharmacological treatments, cost-effective medical solutions, preventative health care, and healthy lifestyles

**Healthcare Expertise and Global Reach** — Portfolio managers average more than 20 years of experience. The Fund also taps the firm's global research platform, which is complemented by proprietary global Grassroots® Research that gathers on-the-ground market intelligence

**FUND INFORMATION**

	Ticker	CUSIP
A Shares	RAGHX	92837N667
C Shares	RCGHX	92837N659
Institutional Shares	HLHIX	92837N618
P Shares	AAAEX	92837N626

Inception Date	12/22/14
AUM (\$ millions)	191.0
Number of Holdings	56
Dividends	Annually
Morningstar Category	Health
Lipper Category	Health/Biotechnology Funds
Index	MSCI World Health Care Index (net)

**MORNINGSTAR RATINGS**

Time Period	# of Stars	# of Funds
Overall	★★★★★	141
3 Year	★★★★★	141
5 Year	★★★★★	131
10 Year	Not Rated	n/a

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**



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 MANAGERS**

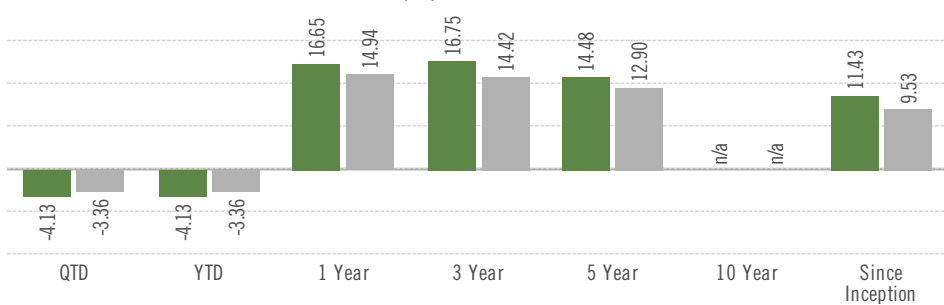
**Peter Pirsch, CFA**

Industry start date: 2006  
Start date as Fund Portfolio Manager: 2018

**Christopher Chin, M.D.**

Industry start date: 2000  
Start date as Fund Portfolio Manager: 2020

**AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2022**



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](http://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](http://virtus.com) for details.

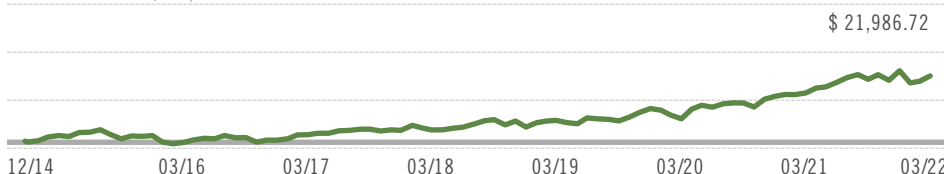
The fund class gross expense ratio is 1.14%. The net expense ratio is 1.12%, which reflects a contractual expense reimbursement in effect through 2/1/2023.

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	25.74	14.06	27.08	5.02	17.75	-7.65	12.03	n/a	n/a	n/a
Index	19.80	13.52	23.24	2.51	19.80	-6.81	6.60	n/a	n/a	n/a

**GROWTH OF \$10,000**



This chart assumes an initial investment of \$10,000 made on 12/22/2014. As of 3/31/2022 the fund value would have been \$21,986.72. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

**CHARACTERISTICS**

	Fund	Index
Avg. Weighted Market Cap (bn)	132.68	172.79
Median Market Cap (bn)	21.63	18.55
Trailing P/E Ex-Negative Earnings	22.73	22.33
Price-to-Cash Flow	22.30	20.91
Price-to-Book Value	7.62	6.66
3-Year EPS Growth Rate	15.52	15.04
5-Year EPS Growth Rate	13.68	14.96
Active Share	67.09	n/a

**RISK STATISTICS  
(3 YEAR)**

	Fund	Index
Alpha	1.57	n/a
Beta	1.05	1.00
R <sup>2</sup>	0.95	1.00
Sharpe Ratio	1.00	0.91
Standard Deviation	16.05	14.94

**TOP TEN HOLDINGS**

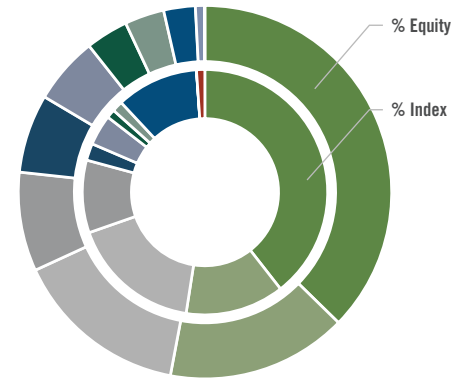
	% Fund
Astrazeneca PLC Sponsored ADR	6.48
AbbVie, Inc.	6.01
Roche Holding Ltd Sponsored ADR	5.75
Pfizer Inc.	5.54
Eli Lilly and Company	4.88
Novartis AG Sponsored ADR	3.42
CVS Health Corporation	3.32
Horizon Therapeutics Plc	3.17
Bristol-Myers Squibb Company	3.06
UnitedHealth Group Incorporated	2.89

**REGION BREAKDOWN**

	% Fund	% Index
North America	80.06	72.15
Europe ex-UK	13.33	17.28
United Kingdom	6.61	4.42
Japan	0.00	4.27
Pacific ex-Japan	0.00	1.87

Holdings and sector weightings are subject to change.

**SECTOR ALLOCATIONS**



	% Equity	% Index
Pharmaceuticals	37.32	39.45
Biotechnology	15.67	13.02
Health Care Equipment	15.16	17.18
Managed Health Care	8.57	9.57
Health Care Supplies	6.81	2.24
Health Care Services	5.81	4.02
Health Care Facilities	3.68	1.15
Health Care Distributors	3.43	1.42
Life Sciences Tools & Services	2.73	10.85
Personal Products	0.82	0.00
Health Care Technology	0.00	1.11

**IMPORTANT RISK CONSIDERATIONS**

**Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio's 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. **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; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. **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. **R<sup>2</sup>:** 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: The MSCI World Health Care Index (net) is designed to capture the large and mid-cap segments of developed markets. All securities in the index are classified in the Health Care sector as per the Global Industry Classification Standard. 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 Rating™ 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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