

## INVESTMENT OVERVIEW

The Fund seeks total return by investing in stocks of dividend-paying U.S. large-cap companies that appear undervalued. Securities are in the market capitalization range of the Russell 1000® Value Index and selected through a disciplined investment process focused on dividend policy, attractive valuations, and improving company fundamentals.

## KEY FEATURES

**Low Valuation Levels** — Searches for large-cap stocks trading at the lower end of historical valuation ranges relative to peers, industry, market, and company history

**The Power of Dividends** — Dividend-paying stocks offer insights into company earnings potential and provide an added total return source that can help lower overall volatility

**Extensive Fundamental Research** — Bottom-up analysis strives to identify catalysts that could drive meaningful price gains, such as new management, restructurings, or product innovations

## FUND INFORMATION

	Ticker	CUSIP
A Shares	SVII	92837F524
C Shares	SVIF	92837F516
I Shares	STVT	92837F490
R6 Shares	STVZ	92837F482

Inception Date	02/12/93
AUM (\$ millions)	801.7
Number of Holdings	49
Dividends	Semi-Annually
Morningstar Category	Large Value
Lipper Category	Multi-Cap Value Funds
Index	Russell 1000® Value Index

## MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★	1,138
3 Year	★★	1,138
5 Year	★★	1,085
10 Year	★★	809

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

## INVESTMENT ADVISER

Virtus Fund Advisers, LLC

## INVESTMENT SUBADVISER

**CEREDEX**  
 VALUE ADVISORS  
 A VIRTUS INVESTMENT PARTNER

Ceredex Value Advisors is a value equity boutique that has managed money for institutions, endowments, foundations and high-net-worth investors since 1995. Portfolio managers and analysts collaborate to execute on bottom-up, company-by-company research, seeking to identify catalysts in undervalued, dividend-paying stocks when constructing value-oriented portfolios.

## PORTFOLIO MANAGERS

### Mills Riddick, CFA

Industry start date: 1982

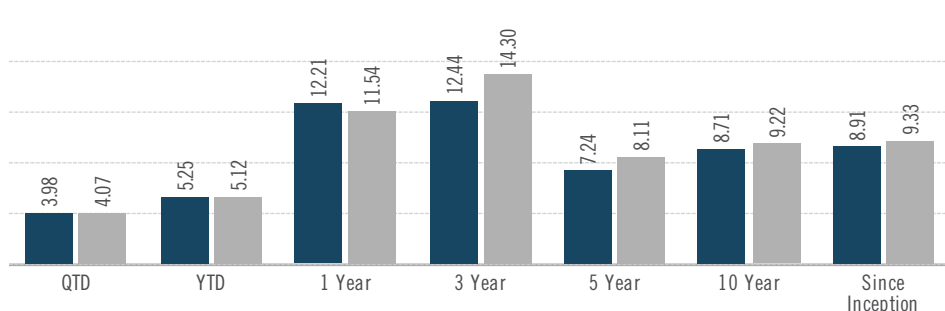
Start date as Fund Portfolio Manager: 1995

### Jennifer Graff, CFA

Industry start date: 2001

Start date as Fund Portfolio Manager: 2021

## AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/2023



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.

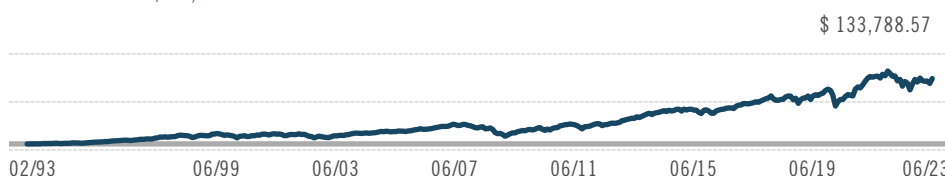
The fund class gross expense ratio is 1.06%. The net expense ratio is 0.97%, which reflects a contractual expense reimbursement in effect through 4/30/2024.

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 (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-14.07	25.48	3.76	30.94	-10.39	16.23	15.45	-4.62	11.08	34.19
Index	-7.54	25.16	2.80	26.54	-8.27	13.66	17.34	-3.83	13.45	32.53

## GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 2/12/1993. As of 6/30/2023 the fund value would have been \$133,788.57. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

## CHARACTERISTICS

	Fund	Index
Average Weighted Market Cap (bn)	78.45	137.77
Median Market Cap (bn)	37.07	11.79
Forward Price/Earnings	16.81	15.01
Price-to-Cash Flow	14.47	14.29
Price-to-Book Value	3.40	3.30
3-Year Earnings Growth Rate	9.46	14.29
5-Year Earnings Growth Rate	12.82	12.58
Active Share	86.35	n/a

## RISK STATISTICS (3 YEAR)

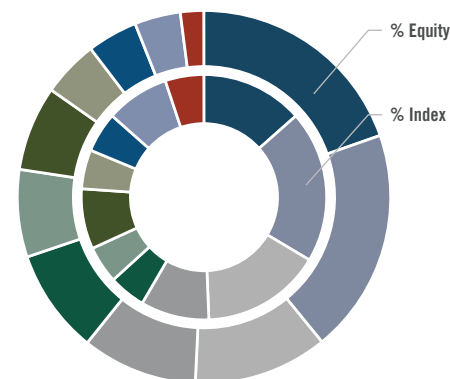
	Fund	Index
Alpha	-1.91	n/a
Beta	1.03	1.00
R <sup>2</sup>	0.96	1.00
Sharpe Ratio	0.62	0.75
Standard Deviation	18.04	17.20

## TOP TEN HOLDINGS

	% Fund
QUALCOMM Inc	3.18
Johnson & Johnson	2.96
EOG Resources Inc	2.86
Sherwin-Williams Co/The	2.84
Teradyne Inc	2.75
PPL Corp	2.71
Bank of America Corp	2.65
Willis Towers Watson PLC	2.64
PNC Financial Services Group Inc/The	2.55
Progressive Corp/The	2.48

Holdings and sector weightings are subject to change.

## SECTOR ALLOCATIONS



	% Equity	% Index
Industrials	19.64	13.47
Financials	19.47	20.08
Health Care	11.64	15.81
Information Technology	10.01	9.05
Materials	9.05	4.84
Real Estate	7.58	4.91
Energy	7.35	7.93
Utilities	4.89	5.17
Consumer Discretionary	4.35	5.28
Consumer Staples	3.99	8.36
Communication Services	2.02	5.10

## 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, medium, or large-sized companies may enhance that risk. **Value Stocks:** Value stocks are subject to the risk that the broad market may not recognize their intrinsic value. **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. Local, regional, or global events such as war, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

## GLOSSARY

**Avg. Weighted Market Cap (bn):** The sum of each security's weight within the fund (or index) multiplied by the security's market capitalization. **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 Earnings Growth Rate:** Average of earnings per share growth for latest 3-year period. **5-Year Earnings 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 Russell 1000® Value Index is a market capitalization-weighted index of value-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with 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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