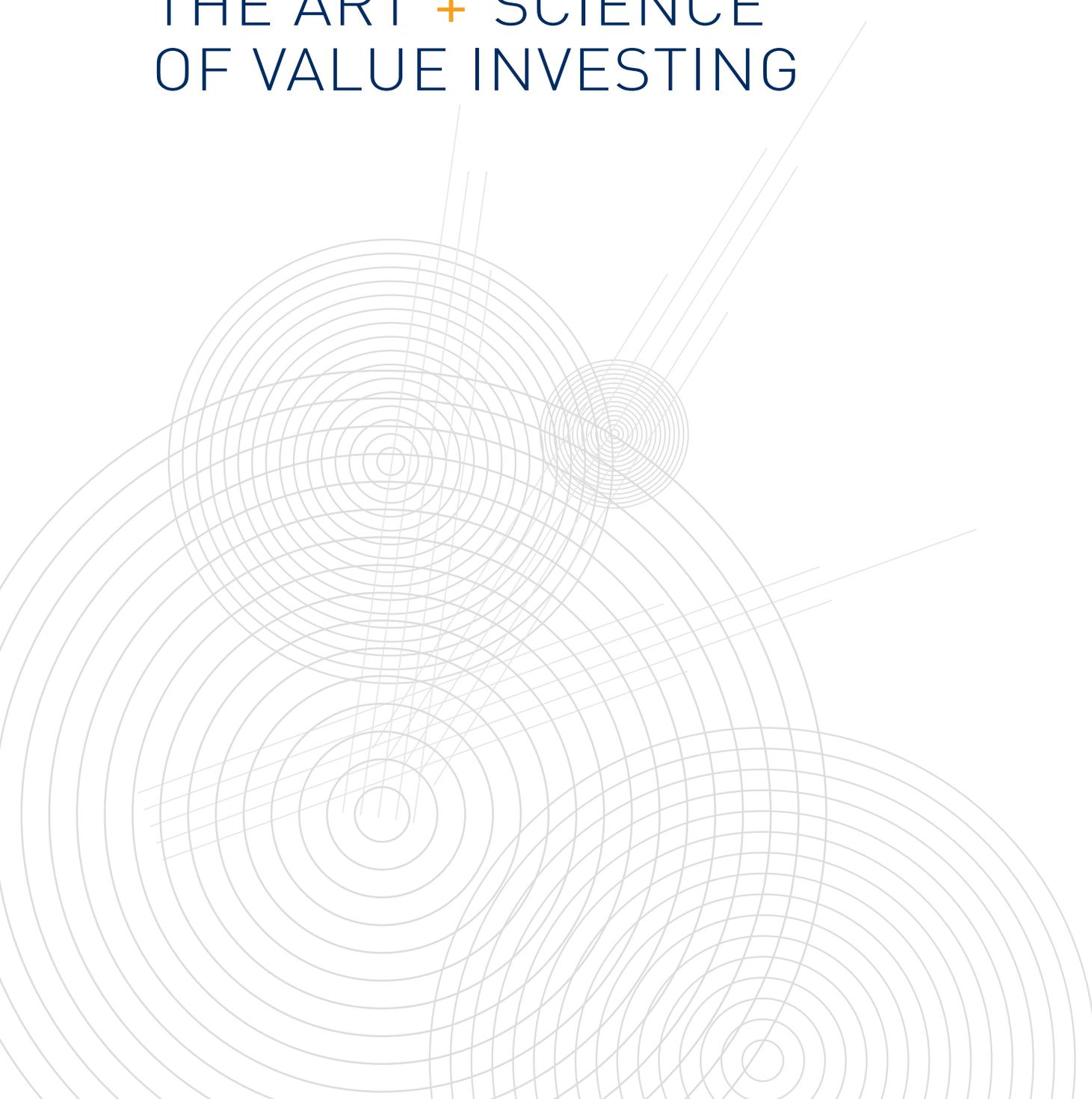




THE ART + SCIENCE OF VALUE INVESTING



traditional value investing

unique approach

Experience

Ceredex Value Advisors LLC has managed money for institutions, endowments, foundations, and high-net-worth investors since 1995. Ceredex manages approximately \$10.8 billion in assets¹ and is a wholly owned affiliate of Virtus Investment Partners.

Continuity

Our core investment team has been managing value equity portfolios together for over 20 years, offering a degree of continuity uncommon in the investment industry.

Traditional Value Investing

Portfolio managers and analysts collaborate to execute on bottom-up, company-by-company research, studying the distinct nuances of each investment candidate. Our boutique size and horizontal structure provide each portfolio manager with the flexibility and autonomy needed to apply well-informed judgments to time-sensitive decisions.

finding value

Blending art and science, we seek to capitalize on our distinct perspective gleaned from decades of studying companies.

Evaluate Companies of all Types and Sizes

There are many companies that are strong, with significant long-term potential for capital appreciation—yet, for various reasons, their stocks may fall out of favor with investors. Our research strives to identify those companies across all market capitalizations, sectors, and industries.

The Science

Our methodology screens for dividend policies, historic trading levels, and a wide array of financial measures, taking advantage of the science of investing.

The Art

Finessing those findings is the art. Interpreting the nuances in the data and making informed decisions relies on the distinctive experience, talent, and knowledge of our investment professionals. We believe successful investing requires instinct and boldness—qualities that fundamental research alone cannot reveal.

Our team prides itself on its thorough review of market demands for each company's products or services, as well as extensive research into financial conditions and management talent.

We look to capture compelling opportunities in undervalued securities to help investors achieve their long-term goals.

a straightforward approach to a complex problem

Purchase Criteria

In our search for value, we consistently ask three critical questions:

- 1** Does the company pay a dividend?
- 2** Is the valuation attractive?
- 3** Are the fundamentals improving?

Dividend Policy

Signals management confidence and discipline

Attractive Valuation

Identifies low-expectation stocks

Improving Fundamentals

Reveals indicators for potential appreciation

Sell Discipline

Equally important is our decision process about exiting a position. A change in any of our criteria, whether a revision to dividend policy, meeting our valuation target, or deteriorating fundamentals, may send a signal, causing us to remove a security from our portfolios.

We believe that undervalued, dividend-paying stocks with improving fundamentals have the potential to produce positive investment results.

1

Understanding Dividends

Our dividend requirement immediately disqualifies thousands of stocks, allowing us to concentrate solely on those we believe are the best candidates for our portfolios.

- **Future earnings potential.** Dividends reflect management's confidence in its ability to generate profits.
- **Corporate discipline.** To pay dividends on a periodic basis, a company must impose a high degree of control over its business operations to meet future earnings targets and keep its objectives, product plans, and expenses in good order.
- **Transparency.** Paying a dividend also validates the transparency of a company's accounting process and increases the credibility of its earnings reports. Dividends have other virtues, too—not only can they contribute to an investment's total return, but the inclusion of dividend-paying equities in a portfolio may also lower overall share price volatility.

2

Assessing Valuation

Our disciplined valuation approach identifies companies trading at the lower end of their historical valuation range, with the potential for improving fundamentals that may reignite investor interest and transform a value stock into an opportunity.

- **Absolute and relative value.** We analyze a firm's discount valuation on both an absolute and relative basis, comparing a company to its peers, industry, market, and historical trading levels.
- **Specific metrics.** While other managers may apply "one-size-fits-all" valuation constraints across their entire portfolio, our methodology targets specific financial metrics that we believe provide the best measure of value based on the security's industry or sector.

3

Identifying Potential

We are constantly looking for signs that a company's fundamentals have the potential to improve.

- **Bottom-up analysis.** We study each company, creating a mosaic of information from its balance sheet, income statement, cash flow statement, and management.
- **Expectations.** We monitor the market and the company to reveal possible catalysts for fundamental change—such as a positive initiative like a change in management, business restructuring, or product innovation—that have the potential to repair a stock's valuation disparity.

Ceredex Value Advisors

Offering a consistent, value-driven process, a Ceredex strategy can serve as a dynamic addition to — or complement — an existing portfolio.

Separately Managed Accounts

- Large Cap Value Equity Portfolio Strategy
- Mid-Cap Value Equity Portfolio Strategy
- Small Cap Value Equity Portfolio Strategy*

Subadvised Mutual Funds

- Virtus Ceredex Large-Cap Value Equity Fund
- Virtus Ceredex Mid-Cap Value Equity Fund
- Virtus Ceredex Small-Cap Value Equity Fund*

The science of investing, in the form of precise calculations and financial measures, forms the cornerstone of our organization. The art of investing combines vision, skilled craftsmanship, and instinct. Together, art and science shape our comprehensive approach to value investing.

* Effective 4/20/12, the Virtus Ceredex Small-Cap Value Equity Fund and the Small Cap Value Equity Strategy are closed to new investors.

meet our team

Portfolio Managers

Mills Riddick, CFA
Large Cap Value
Portfolio Manager
Chief Investment Officer
34 years of experience

Donald Wordell, CFA
Mid-Cap Value
Portfolio Manager
20 years of experience

Brett Barner, CFA
Small Cap Value
Portfolio Manager
31 years of experience

Value Equity Analysts

Charles E. Carter, CFA
Research Analyst
Consumer Staples &
Consumer Discretionary
15 years of experience

Jennifer W. Graff, CFA
Research Analyst
Industrials
15 years of experience

Melissa Miller, CFA
Research Analyst
Financials
15 years of experience

Nicole G. Blakley, CFA
Research Analyst
Energy and Materials
12 years of experience

Cody Smith, CFA
Research Analyst
Health Care and Technology
12 years of experience

Jason E. Fraser, CFA
Research Analyst
Financials and Telecom
11 years of experience

Hein Hanekom, CFA
Research Analyst
Utilities
11 years of experience

J. David Maynard
Research Analyst
Industrials
11 years of experience

Client Team

Steve Loncar
Client Portfolio Manager
18 years of experience

Sarah Thompson
Portfolio Specialist
16 years of experience

As of 12/31/16



301 East Pine Street, Suite 500, Orlando, FL 32801
ceredexvalue.com 407-674-1270



The Funds are the successors of the former RidgeWorth Funds which carried substantially the same names, investment objectives, and strategies, as a result of their reorganization with and into the Funds on July 14, 2017.

IMPORTANT RISK CONSIDERATIONS

Equity Securities: Equity securities (stocks) may be more volatile and carry more risk than other forms of investments, including investments in high grade fixed income securities. The net asset value per share of a fund will fluctuate as the value of the securities in the portfolio changes. **Value Stocks:** Are subject to the risk that the broad market may not recognize their intrinsic value. **Small Capitalization Stocks:** Typically carry additional risks since smaller companies generally have a higher risk of failure. **Mid-capitalization Stocks:** Typically carry additional risks since mid-cap companies generally have a higher risk of failure. **Prospectus:** For additional information on risks, please see the fund's prospectus.

There is no guarantee a specific investment strategy will be successful. Individual investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Investment process, strategies, and procedures detailed in this presentation are intended to be general guidelines, subject to market conditions and client-specific investment guidelines and restrictions, and are measured at time of purchase. Ceredex Value Advisors LLC may deviate from these guidelines if market conditions warrant, or if the investment professionals deem doing so would be in the clients' best interests. Guidelines do not guarantee any reduction of risk or loss.

Please carefully consider a Fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

Not all products or marketing materials are available at all firms.

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