New Constructs®
Diligence | Independence | Performance

ROBO-ANALYST FUND RATING

01/10/2018
NAV as of 01/09/2018: $25.77

PHRAX — Very Unattractive Rating

Virtus Opp Trust: Virtus Duff & Phelps Real Estate Securities Fd

- Predictive Ratings are based on the aggregation of our models for the fund's holdings, all of the fund's expenses, & the fund's overall rank.
- Stock-picking (Portfolio Management) and fund expenses (Total Annual Costs) drive fund performance.

Investment Recommendation

- We strongly recommend investors avoid PHRAX.
- We expect the fund to continue underperforming the market on a total return basis.
- PHRAX's Portfolio Management rating does not justify its high Total Annual Costs.

Fund Rankings

- 2nd percentile of the 7000+ equity funds we cover.
- 189 out of 197 Real Estate funds.
- All 17 ETFs in the same category rank better.
- See rankings for all US equity funds on our fund screener.

Portfolio Management Rating Details

- PHRAX receives our Unattractive Portfolio Management rating because its aggregate holdings are expected to underperform the aggregate holdings of IYR.
- IYR, PHRAX's benchmark, receives our Neutral rating.
- Our fund analytics are based on aggregating our models and ratings for each fund's holdings.
- Our top-ranked stock ratings leverage key data from the financial footnotes for unrivaled research quality.

Portfolio Management Rating Breakdown

Quality of Earnings Components: Ratings & Values

Neutral	Economic vs Reported EPS	Neutral EE
Unattractive	Return on Invested Capital (ROIC)	5%

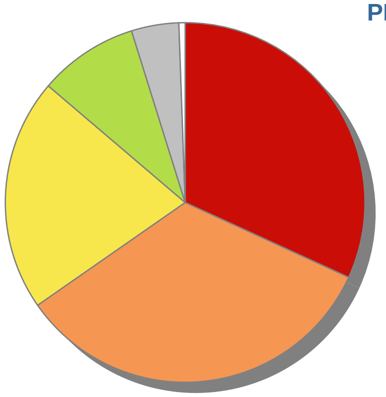
Valuation Components: Ratings & Values

Unattractive	Free Cash Flow Yield	-5%
Very Unattractive	Price to Economic Book Value Ratio	6.8
Unattractive	Growth Appreciation Period	41 year(s)

Fund Asset Allocation: Rating & Value

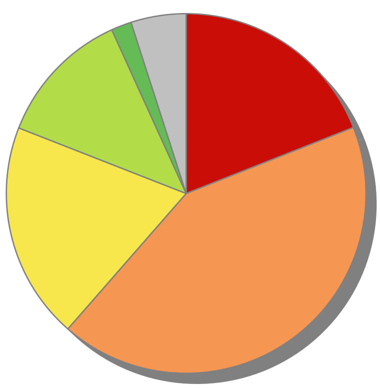
Very Attractive	Cash Allocation	1% cash

Stock and Cash Rating Allocations vs Benchmark - iShares Trust: iShares US Real Estate ETF (IYR)



PHRAX Allocations		IYR Allocations
32%	Very Unattractive	19%
33%	Unattractive	42%
21%	Neutral	20%
9%	Attractive	12%
0%	Very Attractive	2%
4%	Unrated	5%
1%	Cash	--

Holdings as of 09/30/17.
Ratings as of 01/09/2018.



Active Management Commentary

- PHRAX allocates 65% of its value to Unattractive-or-worse-rated stocks while IYR allocates 61%.
- PHRAX allocates 9% of its value to Attractive-or-better-rated stocks while IYR allocates 14%.
- Investors should expect funds with higher Total Annual Costs to allocate more value to Attractive and Very Attractive Stocks and less to Unattractive and Very Unattractive stocks than alternative funds with lower costs.
- Active portfolio management of PHRAX does not add value versus its ETF benchmark IYR.

Return - Annual

Year to Date	-3.2%
1 Year	1.0%
3 Year	2.0%
5 Year	7.6%
Inception	11.2%

Top 5 Holdings

Prologis Inc	PLD
Simon Property Group Inc	SPG
Digital Realty Trust Inc	DLR
Equinix Inc	EQIX
Duke Realty Corp	DRE

Key Mutual Fund Statistics

Net Assets(mm)	$874.40	Category	Real Estate
NAV	$25.77	Mgmt Co	Virtus Investment Partners Inc
Benchmark	IYR	Manager	Dybas/Haggerty
# of Holdings	40	Tenure	1998
Initial Min	$2,500	Inception	03/01/1995

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
Unattractive	3.81%	5%	187 of 197

This rating reflects all expenses, loads, fees, and transaction costs in a single value that is comparable across all funds.

Reported Costs vs Benchmark: as of 04/10/2017

	PHRAX	Benchmark: IYR
Front-End Load	5.75%	--
Expense Ratio	1.38%	0.44%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--

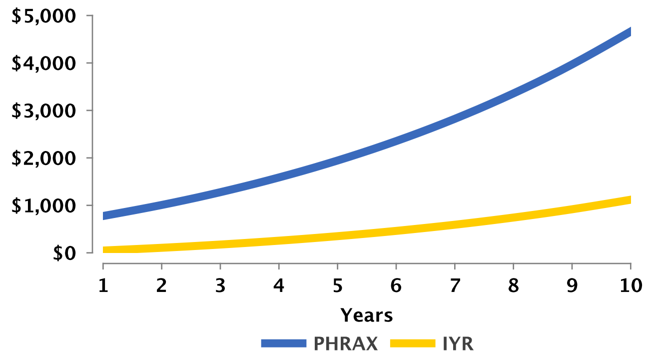
Total Annual Costs Breakdown

All Cost Types	Annualized Values PHRAX	Benchmark: IYR
Front-End Load	2.19%	--
Expense Ratio	1.57%	0.49%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	0.04%	--
Total Annual Costs	3.81%	0.49%

- To justify its higher Total Annual Costs, PHRAX must outperform its ETF benchmark before all costs by 3.31% annually over 3 years or 1.75% annually over 10 years.
- This analysis assumes a 3-year holding period, the average for all funds.
- Transaction costs are estimated using the fund's annual portfolio turnover ratio of 20%.

Accumulated Total Costs vs Benchmark

Accumulated Total Costs represent the dollar value of costs investors incur during a 10-yr holding period. Assumes a $10,000 investment and a 10% annual return for the fund and its benchmark.



- 3-year Accumulated Total Costs are $1,277.54 for PHRAX and $174.92 for IYR. 10-year Accumulated Total Costs are $4,662.98 for PHRAX and $1,118.91 for IYR.

Data from Lipper, a Thomson Reuters Company, and New Constructs, LLC.

Overview of Our Predictive Mutual Fund Rating System

New Constructs' Predictive Fund Ratings enable smarter investing by assessing the key drivers of future fund performance. We start by analyzing every fund holding based on New Constructs' stock ratings, which are regularly featured as among the best by Barron's. Next, we measure and rank the all-in costs of investing in a fund. Finally, we rank the fund compared to all other funds to identify the best and worst funds in the market.

Intuitively, there are two drivers of future fund performance.
1) New stock-picking (Portfolio Management Rating) and
2) Fund expenses (Total Annual Costs Rating) drive investment performance

The figure below details the criteria that drive our Predictive Rating system for funds. The drivers of our predictive rating system are Portfolio Management and Total Annual Costs. The Portfolio Management Rating (details here) is the same as our Stock Rating (details here) except that we incorporate Asset Allocation (details here) in the Portfolio Management Rating. The Total Annual Costs Rating (details here) captures the all-in cost of being in a fund over a 3-year holding period, the average period for all mutual fund investors.

Predictive Rating	Portfolio Management Rating						Total Annual Costs Rating
	Quality of Earnings		Valuation			Asset Allocation	
	Economic vs Reported EPS	Return on Invested Capital (ROIC)	FCF Yield	Price-to-EBV Ratio	Growth Appreciation Period (yrs)	Cash %	
Very Unattractive	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50	> 20%	> 4%
Unattractive	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50	8% < 20%	2% < 4%
Neutral	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20	2.5% < 8%	1% < 2%
Attractive	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10	1% < 2.5%	0.5% < 1%
Very Attractive	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3	< 1%	< 0.5%

New Constructs® - Research to Fulfill the Fiduciary Duty of Care

Ratings & screeners on 3000 stocks, 450 ETFs and 7000 mutual funds help you make prudent investment decisions.

New Constructs leverages the latest in machine learning to analyze structured and unstructured financial data with unrivaled speed and accuracy. The firm's forensic accounting experts work alongside engineers to develop proprietary NLP libraries and financial models. Our investment ratings are based on the best fundamental data in the business for stocks, ETFs and mutual funds. Clients include many of the top hedge funds, mutual funds and wealth management firms. David Trainer, the firm's CEO, is regularly featured in the media as a thought leader on the fiduciary duty of care, earnings quality, valuation and investment strategy.

To fulfill the Duty of Care, research should be:

1. **Comprehensive** - All relevant publicly-available (e.g. 10-Ks and 10-Qs) information has been diligently reviewed, including footnotes and the management discussion & analysis (MD&A).
2. **Un-conflicted** - Clients deserve unbiased research.
3. **Transparent** - Advisors should be able to show how the analysis was performed and the data behind it.
4. **Relevant** - Empirical evidence must provide tangible, quantifiable correlation to stock, ETF or mutual fund performance.

Value Investing 2.0: Diligence Matters: Technology is Key to Value Investing with Scale

Accounting data is only the beginning of fundamental research. It must be translated into economic earnings to truly understand profitability and valuation. This translation requires deep analysis of footnotes and the MD&A, a process that our robo-analyst technology empowers us to perform for thousands of stocks, ETFs and mutual funds.

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