

Line of Credit

The Virtus Seix Floating Rate High Income Fund (the “Fund”) maintains a line of credit (“LOC”) to help mitigate risks involved with short-term liquidity needs that may arise due to circumstances including, but not limited to, market events, regulatory events, emergency situations, or large redemptions. In addition, during more opportunistic market cycles, the LOC may also allow the Fund’s subadviser the flexibility to maintain relatively low cash positions and be more fully invested¹.

On September 18, 2017, the Fund and certain other affiliated funds entered into a \$250,000,000 unsecured line of credit (“Credit Agreement”). \$100,000,000 of the LOC was reserved for the Fund. On March 15, 2018, the Fund entered into a separate \$150,000,000 line of credit and the original Credit Agreement was reduced to \$150,000,000.

For the nine months ended September 30, 2018

As of September 30, 2018, the Fund had not utilized, and had no outstanding borrowing, under the LOC.

¹The Fund will pay a commitment fee to The Bank of New York Mellon in the amount of 0.15% per annum on the daily unused portion of the LOC. Borrowings under the LOC will accrue interest at the higher of (a) the Federal Funds Rate, or (b) the One-month LIBOR Rate, plus 1.25% per annum. Generally, repayments must be made within 60 days of the borrowings. Commitment fees and interest expense paid to The Bank of New York Mellon pursuant to this agreement are reflected in the Fund’s financial statements on the Statements of Operations as a component of Other Fees.

Please carefully consider the 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.