

INVESTMENT OPPORTUNITY

The Fund actively invests in high yield fixed income securities, seeking to generate both high current income and capital growth. Rigorous credit analysis and a relative value approach, coupled with opportunistic trading, strives to take advantage of mispricings, market dislocations, and other special situations.

KEY FEATURES

Complement to Traditional Stocks and Bonds — High yield bonds have historically provided competitive risk-adjusted returns relative to stocks, while offering yield opportunities simply not achievable with traditional core bonds

Relative Value Focused — Newfleet’s time-tested team of credit analysts employ their hallmark relative value approach, aiming to exploit inefficiencies by continuously evaluating the market, sectors, and securities while managing downside risk

Seeks High Income — High yield bonds have historically offered a compelling yield advantage relative to traditional core bonds, all the while providing more credit diversification and less interest rate sensitivity

INVESTMENT PROCESS

- 1 Intensive Credit Research
 Continuous evaluation of the investable universe, sector evaluation, sector comparison, and sector allocation, all designed to identify risks and opportunities
- 2 Top-Down Industry Analysis
 Continuous evaluation of the investable universe, industry evaluation, industry comparison, and industry allocation, all designed to identify risks and opportunities
- 3 Portfolio Construction and Opportunistic Trading
 Industry/security investment recommendations debated, industry and security positions and sizing determined on relative value assessment against peer securities and the benchmark, ongoing stress testing, risk assessment, and trading reviews

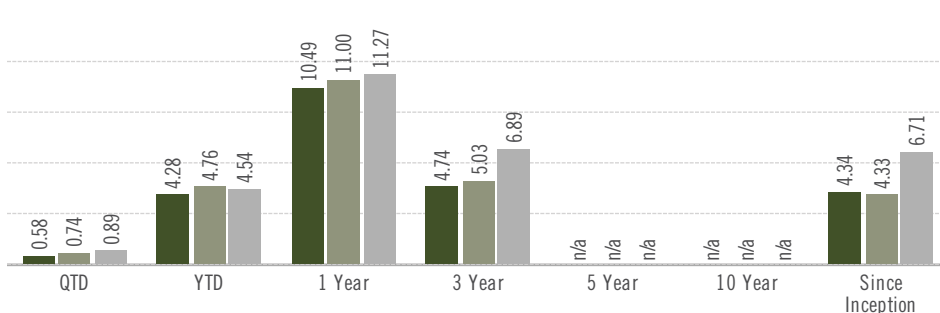
	NYSE Arca
NAV Symbol	BLHY.NV
IOPV Symbol	BLHY.IV
CUSIP	92790A207
Inception Date	12/05/16
Gross Expense Ratio	2.28%
Net Expense Ratio	0.50%
30-day SEC Yield	4.07%
30-day SEC Yield (unsubsidized)	2.40%
Adviser	Virtus ETF Advisers LLC
Distributor	VP Distributors, LLC
Subadviser	Newfleet Asset Management, LLC
Benchmark	Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index

PORTFOLIO MANAGEMENT



Newfleet Asset Management leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/2021 ■ NAV ■ Market Price ■ Index



Returns for periods of less than one year are cumulative total returns.

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 for performance data current to the most recent month end.

The Total Expense Ratio represents the Fund’s Total Annual Fund Operating Expenses, which includes the management fee and other expenses where applicable, except for certain payments that are paid directly by the Fund, as described in the Prospectus. The Fund’s investment adviser has entered into an expense limitation agreement to limit the Fund’s total operating expenses (excluding certain expenses as described in the prospectus) so that such expenses do not exceed 0.49% of the Fund’s average daily net assets through November 28, 2021.

Effective March 22, 2021, the Fund changed its name from Virtus Newfleet Dynamic Credit ETF to Virtus Newfleet High Yield Bond ETF. The Fund’s investment objective and principal investment strategies have been revised. Please see the prospectus for more information.

INVESTMENT PROFESSIONALS

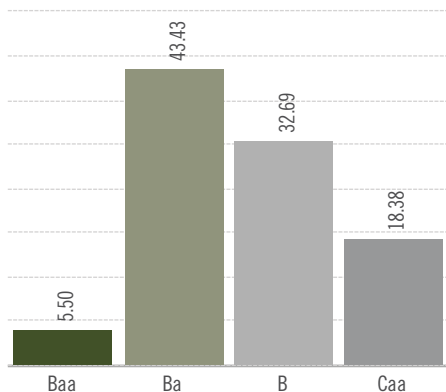
David L. Albrycht, CFA
 President and Chief Investment Officer
 Industry start date: 1985
 Start date as Fund Portfolio Manager: 2016

William Eastwood, CFA
 Senior Managing Director and Senior Portfolio Manager
 Industry start date: 1995
 Start date as Fund Portfolio Manager: 2019

Eric Hess, CFA
 Managing Director and Portfolio Manager
 Industry start date: 2006
 Start date as Fund Portfolio Manager: 2019

Francesco Ossino
 Managing Director, Portfolio Manager, and High Yield Sector Head
 Industry start date: 1996
 Start date as Fund Portfolio Manager: 2016

RATINGS DISTRIBUTION % Invested Assets



CHARACTERISTICS

	Fund
Effective Duration	3.88
Weighted Average Maturity	4.55

INCOME DISTRIBUTIONS

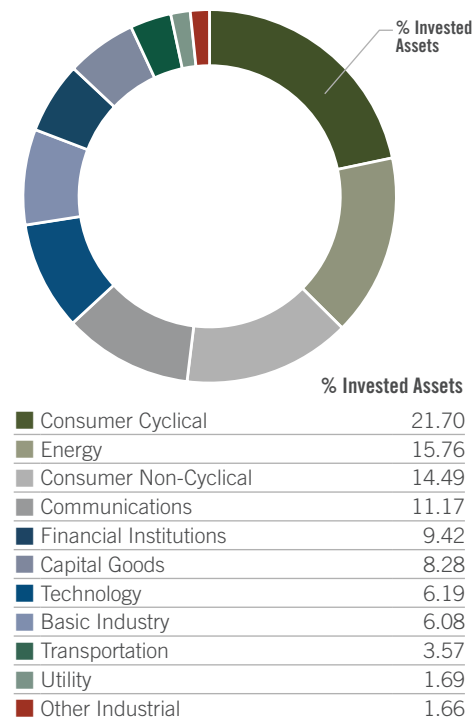
Month	NAV at Month-End
July 2021	\$0.099900 24.69
August 2021	\$0.104060 24.68
September 2021	\$0.101610 24.63

TOP TEN HOLDINGS

	% Fund
Albertsons Cos Inc / Safeway Inc / New Albertsons LP / Albertsons LLC, 4.6250% 01/15/2027	1.09
American Airlines Inc, 11.7500% 07/15/2025	1.09
Applied Systems Inc, 2021 Term Loan (Second Lien), 09/19/2025	0.97
Taseko Mines Ltd, 7.0000% 02/15/2026	0.97
Louisiana-Pacific Corp, 3.6250% 03/15/2029	0.97
Mauser Packaging Solutions Holding Co, 7.2500% 04/15/2025	0.95
Akumin Inc, 7.0000% 11/01/2025	0.93
Icahn Enterprises LP / Icahn Enterprises Finance Corp, 5.2500% 05/15/2027	0.91
CSI Compressco LP / CSI Compressco Finance Inc, 7.5000% 04/01/2025	0.87
Ladder Capital Finance Holdings LLLP / Ladder Capital Finance Corp, 4.2500% 02/01/2027	0.87

Holdings and sector weightings are subject to change. To view the full list of holdings, please visit virtus.com.

SECTOR ALLOCATIONS



IMPORTANT RISK CONSIDERATIONS

Exchange-Traded Funds (ETF): The value of an ETF may be more volatile than the underlying portfolio of securities it is designed to track. The costs to the fund of owning shares of an ETF may exceed the cost of investing directly in the underlying securities. **Credit & Interest:** Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **Industry/Sector Concentration:** A portfolio that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated portfolio. **Market Price/NAV:** At the time of purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change. **30-day SEC Yield (unsubsidized)** is the 30 day SEC yield without the effect of applicable expense waivers. **Effective Duration:** The change in the value of a fixed income security that will result from a 1% change in interest rates while taking into account the way changes in rates will affect the expected cash flows of any bond with an embedded option such as call or prepayment option. This measure assigns a probability to the exercise of a call option, where applicable, based on specified shifts in the yield curve. Duration is expressed as a number of years, and generally, the larger the duration, the greater the interest rate risk or reward for a portfolio's underlying bond prices. **Weighted Average Maturity:** The length of time until the average security in a fund will mature, be redeemed by its issuer, or paid down over time, which is the case with most securitized assets.

RATINGS DISTRIBUTION METHODOLOGY

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation's or government's debt issues. The ratings apply to the fund's holdings and not the fund. Ratings are provided by Standard & Poor's, Moody's, and Fitch. For certain securities that are not rated by any of these three agencies, credit ratings from other agencies may be used. Where the rating agencies rate a security differently, Newfleet uses the higher rating. If a rating is not available, the bond is placed in the Not Rated category. Credit ratings are subject to change. Aaa, Aa, A, and Baa are investment grade ratings; Ba, B, Caa, Ca, C, and D are below-investment grade ratings.

BENCHMARK

The Bloomberg U.S. High-Yield 2% Issuer Capped Bond Index is a market capitalization-weighted index that measures fixed rate non-investment grade debt securities of U.S. and non-U.S. corporations. No single issuer accounts for more than 2% of market cap. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

IOPV, or Indicative Optimized Portfolio Value, is a calculation disseminated by the stock exchange that approximates the Fund's NAV every fifteen seconds throughout the trading day. The Fund is an exchange-traded fund ("ETF"). The "net asset value" (NAV) of the Fund is determined at the close of each business day, and represents the dollar value of one share of the Fund; it is calculated by taking the total assets of the Fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV of the Fund is not necessarily the same as its intraday trading value. Fund investors should not expect to buy or sell shares at NAV because shares of ETFs such as the Fund are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Thus, shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. NAV returns are calculated using the Fund's daily 4:00 pm NAV, and include the reinvestment of all dividends and other distributions (reinvested at the Fund's NAV on distribution ex-date). Market price returns are calculated using the 4:00 pm midpoint between the bid and offer, and include the reinvestment of all dividends and other distributions (reinvested at the 4:00 pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.

The Fund is an actively managed exchange-traded fund and does not seek to replicate the performance of a specified index. The Fund may have a higher portfolio turnover than funds that seek to replicate the performance of an index.

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

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