

## INVESTMENT OPPORTUNITY

The Fund seeks to provide a high level of current income and capital appreciation. It strives to achieve long-term excess returns through the combination of actively managed sector rotation, individual security selection, and disciplined risk management.

## KEY FEATURES

**High-Conviction Portfolio** — Opportunistic, diversified bond portfolio pursues the greatest risk/reward potential across bond markets

**Flexible Fixed Income Exposure** — Unconstrained across sectors with no target duration

**Active Sector Rotation** — Top-down analysis weighs relative attractiveness of bond sectors, evaluating fundamentals, yields, spreads, and supply/demand dynamics

## INVESTMENT PROCESS

### Macro / Interest Rate Outlook and Sector Analysis

- Top-down relative value assessment of sectors determines under- and overweights
- Interest rate outlook and sector allocation targets drive duration range

### Issue Selection

- Bottom-up, fundamental research
- Assessment of credit risk, company management, issue structure, and technical market conditions with a focus on valuations

### Portfolio Construction and Risk Management

- High-conviction, diversified portfolio across 14 sectors, without restrictions on below investment grade or non-U.S. securities
- No equity investments

## AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2024

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	1.25	1.25	7.73	1.00	2.95	n/a	3.41
Market Price	1.24	1.24	7.83	1.03	2.99	n/a	3.42
Index	-0.78	-0.78	1.70	-2.46	0.36	n/a	1.28

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](http://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 February 28, 2025.

Index: The Bloomberg U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. 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.

	NYSE Arca
NAV Symbol	NFLT.NV
IOPV Symbol	NFLT.IV
CUSIP	26923G707
Inception Date	08/10/15
Gross Expense Ratio	0.81%
Net Expense Ratio	0.50%
30-day SEC Yield	6.06%
30-day SEC Yield (unsubsidized)	5.85%
Adviser	Virtus ETF Advisers LLC
Distributor	VP Distributors, LLC
Subadviser	Newfleet Asset Management
Index	Bloomberg U.S. Aggregate Bond Index

The Index shown represents the Fund's performance index, which may differ from the Fund's regulatory index included in its Prospectus.

## 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.

Newfleet Asset Management is a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser.

## INVESTMENT PROFESSIONALS

### David L. Albrycht, CFA

President and Chief Investment Officer

Industry start date: 1985

Start date as Fund Portfolio Manager: 2015

### Benjamin Caron, CFA

Senior Managing Director and

Portfolio Manager

Industry start date: 1997

Start date as Fund Portfolio Manager: 2019

RATINGS DISTRIBUTION		% Fund	TOP TEN HOLDINGS		% Fund	SECTOR ALLOCATIONS		% Fund
Aaa		24.35	United States Treasury Note/Bond, 2.6250% 02/15/2029		2.62	Corporate - High Quality		27.45
Aa		4.06	United States Treasury Note/Bond, 3.3750% 05/15/2033		1.29	Corporate - High Yield		15.81
A		10.85	United States Treasury Note/Bond, 1.0000% 12/15/2024		1.14	Bank Loans		12.29
Baa		25.82	United States Treasury Note/Bond, 4.2500% 02/15/2054		1.05	Treasury		9.91
Ba		13.55	United States Treasury Note/Bond, 4.0000% 02/15/2034		1.03	Asset Backed Securities		8.12
B		15.28	Freddie Mac Pool, 6.0000%		0.78	Non-Agency Residential MBS		7.11
Caa		2.90	United States Treasury Note/Bond, 3.6250% 05/15/2053		0.73	Emerging Market - High Yield		5.84
Ca		0.22	Freddie Mac Pool, 6.0000%		0.71	Yankee - High Quality		4.31
C		0.11	United States Treasury Note/Bond, 1.8750% 11/15/2051		0.68	Mortgage Backed Securities		3.89
D		0.00				Non-Agency Commercial MBS		2.92
NR		0.61				Cash		2.26
Cash & Equivalents		2.26				Non-USD		0.10
						Equity		0.00
FIXED CHARACTERISTICS		Fund	Holdings and sector weightings are subject to change. To view the full list of holdings, please visit <a href="http://virtus.com">virtus.com</a> .					
Effective Duration		4.14						
Weighted Average Maturity		6.31						

#### INCOME DISTRIBUTIONS

Month		NAV at Month-End
January 2024	\$0.082480	22.44
February 2024	\$0.109180	22.29
March 2024	\$0.088730	22.45

#### 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 portfolio 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. **Bank Loans:** Bank loans may be unsecured or not fully collateralized, may be subject to restrictions on resale, may be less liquid and may trade infrequently on the secondary market. Bank loans settle on a delayed basis; thus, sale proceeds may not be available to meet redemptions for a substantial period of time after the sale of the loan. **ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the non-repayment of underlying collateral, including losses to the portfolio. **Foreign & Emerging Markets:** Investing in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **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:** 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 or military conflict, 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

**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. **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.

#### 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 belowinvestment grade ratings. 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](http://virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.

**Not FDIC Insured | May Lose Value | Not Bank Guaranteed**

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