

Fund Information

Symbol and CUSIP

A shares	PSFRX	(92828R545)
C shares	PFSRX	(92828R537)
I shares	PSFIX	(92828R529)
R6 shares	VRSFX	(92828W254)

Investment Adviser

Virtus Investment Advisers, Inc.

Investment Subadviser

Newfleet Asset Management, LLC

AUM (\$ millions)	589.2
Number of Holdings	370
Dividends	Daily

Investment Professionals

David L. Albrycht, CFA
Industry start date: 1985
Start date with Fund: 2008

Kyle A. Jennings, CFA
Industry start date: 1992
Start date with Fund: 2008

Francesco Ossino
Industry start date: 1996
Start date with Fund: 2012

INVESTMENT OPPORTUNITY

The fund offers the potential for attractive total return and income by investing in higher quality, non-investment grade bank loans.

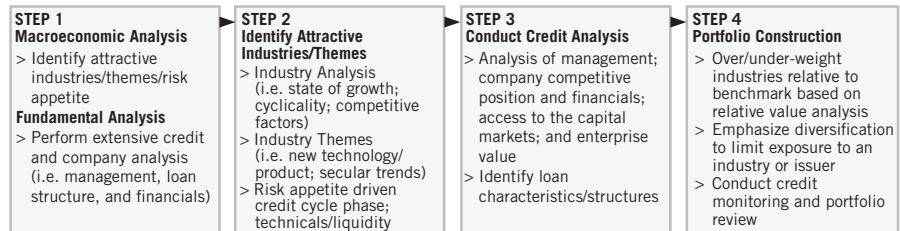
Using extensive credit and company analysis and monitoring, the portfolio managers look for those securities with strong income potential while maintaining an emphasis on managing risk.

SEC Yield	3.89%
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SEC Yield (Class A share only) represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. All performance figures reflect a partial waiver of fees where applicable. Without the partial waiver of fees, the performance figures would be lower. The SEC Yield would have been 3.82%.

Effective May 8, 2017 this fund changed its name from the Virtus Senior Floating Rate Fund.

Investment Process



Average Annual Total Returns Class A as of 06/30/2017 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 01/31/2008
NAV	0.45	1.29	6.13	2.48	3.85	n/a	4.83
POP	-2.31	-1.50	3.21	1.53	3.28	n/a	4.52
Index	0.76	1.91	7.42	3.35	4.58	n/a	5.28

The fund class gross expense ratio is 1.08%. The net expense ratio is 1.02%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

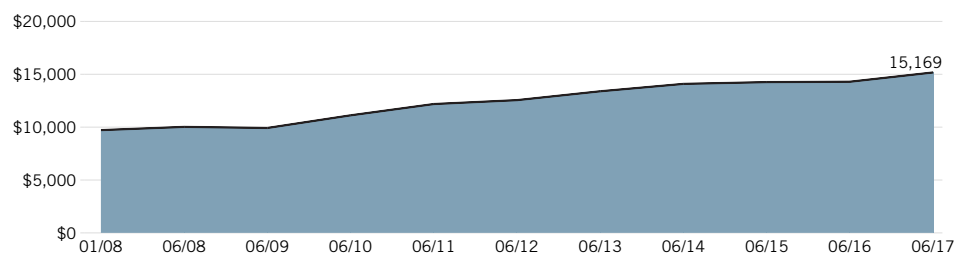
The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.01%.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge of 2.75%. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid.

Annual Performance Class A at NAV in percent *Performance for period 1/31/08 - 12/31/08

	2007	2008*	2009	2010	2011	2012	2013	2014	2015	2016
Fund	n/a	-18.30	37.32	8.95	1.62	8.70	5.24	0.62	-0.76	8.53
Index	n/a	-26.74	51.62	10.13	1.52	9.66	5.29	1.60	-0.69	10.16

Growth of \$10,000 Class A for the period ending 06/30/2017 Actual initial investment \$9,725



This chart assumes an initial investment of \$10,000 made on Jan 31, 2008 for Class A shares including any applicable sales charges. Performance assumes reinvestment of dividends and capital gain distributions.

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

Index: The S&P/LSTA Leveraged Loan Index is a daily total return index that uses LSTA/LPC Mark-to-Market Pricing to calculate market value change. On a real-time basis, the Index tracks the current outstanding balance and spread over LIBOR for fully funded term loans. The facilities included in the Index represent a broad cross section of leveraged loans syndicated in the United States, including dollar-denominated loans to overseas issuers. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Industry Allocations	% Invested Assets
Healthcare	13.69
Service	10.86
Information Technology	6.82
Gaming/Leisure	6.52
Chemicals	5.36
Media/Telecom - Cable/Wireless Video	4.93
Energy	4.70
Housing	4.33
Forest Products	4.27
Media/Telecom - Telecommunications	4.05
Utility	4.05
Financial	3.97
Food/Tobacco	3.94
Manufacturing	3.53
Media/Telecom - Diversified Media	3.28
Media/Telecom - Broadcasting	3.28
Retail	2.78
Aerospace	2.43
Transportation - Automotive	1.64
Media/Telecom - Wireless Communications	1.63
Consumer Non-Durables	1.39
Metals/Minerals	0.98
Food and Drug	0.82
Consumer Durables	0.58
Other	0.15

Weightings are subject to change.

Ratings Distribution	% Invested Assets
Aaa	0.00
Aa	0.00
A	0.00
Baa	8.67
Ba	44.26
B	37.26
Caa	4.36
Ca	0.28
C	0.00
D	0.20
Not Rated	4.97

Characteristics	Fund
Duration	0.41 years
Standard Deviation	2.76

Income Paid Monthly:	NAV at Month-End
April	\$ 0.028976 9.50
May	\$ 0.030983 9.50
June	\$ 0.033052 9.44

GLOSSARY

Duration represents the interest rate sensitivity of a fixed income fund. For example, if a fund's duration is five years, a 1% increase in interest rates would result in a 5% decline in the fund's price. Similarly, a 1% decline in interest rates would result in a 5% gain in the fund's price.

Standard Deviation (3 year) measures variability of returns around the average return for an investment fund. Higher standard deviation suggests greater risk.

IMPORTANT RISK CONSIDERATIONS:

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times. **High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities. **Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded. **Liquidity:** Certain securities may be difficult to sell at a time and price beneficial to the fund. **Prospectus:** For additional information on risks, please see the fund's prospectus.

RATINGS DISTRIBUTION METHODOLOGY:

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation's or government debt issues. The ratings apply to the fund's holdings and not the fund itself. The higher of the ratings between Moody's, Standard & Poor's and Fitch is used. If one of the three agencies does not have a rating, the higher of the other two ratings is used. If only one agency has rated the bond, the rating from that agency is used. If none of the three agencies have rated the bond 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.

Investment Manager of the Fund

Newfleet 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.

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.

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