

# InfraCap REIT Preferred ETF

3Q17

# PFFR

The InfraCap REIT Preferred ETF seeks to track the INDXX REIT Preferred Index.

NYSE Arca

## INVESTMENT OPPORTUNITY

The Fund is the only ETF offering a diversified investment in preferred securities issued by Real Estate Investment Trusts (REITs). Potential benefits include:

- › Attractive yield potential
- › Characteristics of both fixed income and equities
- › Low equity beta
- › Monthly dividends

REIT preferreds may offer advantages relative to traditional preferred securities, such as those issued by banks and insurance companies.

- › REITs are typically less leveraged, as they often have lower levels of corporate debt
- › The nature of revenue streams associated with REITs are generally more predictable
- › REITs may offer greater transparency as to the financial health of the issuer (i.e., cash flows, assets)

## FUND INFORMATION

NAV symbol	PFFR.NV
IOPV symbol	PFFR.IV
CUSIP	26923G400
Index	INDXX REIT Preferred Stock Index
Index Symbol	IPFFR
Inception Date	2/7/2017
Gross Expense Ratio	0.45%
Net Expense Ratio	N/A
Adviser	Virtus ETF Advisers LLC
Distributor	ETF Distributors, LLC
Subadviser	Infrastructure Capital Advisors, LLC
Index Provider	INDXX, LLC

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.

## TOP 10 HOLDINGS AS OF 9/30/17

VEREIT Inc. 6.700	9.4%
Welltower Inc. 6.500	7.8
Annaly Capital Mgmt. 7.500	4.0
CBL & Associates Prop. 7.375	3.8
JP Morgan 100 US Treasury 0.350	3.1
Alexandria Real Estate Class E 7.000	2.9
RLJ Lodging Trust 1.950	2.8
Vornado Realty Trust 5.400	2.6
Annaly Capital Mgmt. 7.625	2.6
Vornado Realty Trust 5.700	2.6

Holdings are subject to change. To view the full list of holdings, please visit [virtus.com](http://virtus.com).

## FUND MANAGEMENT

Infrastructure Capital Advisors is a New York-based investment

management firm specializing in energy infrastructure, real estate, and credit analysis.



## PORTFOLIO MANAGERS

**Jay D. Hatfield**  
Chief Investment Officer

**Edward Ryan**  
Chief Operating Officer

## Performance—Total Returns in % as of 9/30/17

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception (2/7/17)
NAV	1.05	n/a	n/a	n/a	n/a	n/a	6.90
Market Price	1.00	n/a	n/a	n/a	n/a	n/a	7.13
Index	1.24	n/a	n/a	n/a	n/a	n/a	7.32

**Performance data quoted represents past results. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Please visit [www.virtus.com](http://www.virtus.com) for performance data current to the most recent month-end.**

Gross Expense Ratio: 0.45%; Net Expense Ratio: N/A.

Expenses are based on estimated amounts for the current fiscal year. The gross expense ratio represents the Fund's management fee, which is structured as a "unified fee," out of which the Fund's adviser pays all routine expenses, except for certain payments as described in the prospectus, which are paid by the Fund.

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 p.m. 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 4:00pm 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's benchmark is the **INDXX REIT Preferred Stock Index**, which is a market cap weighted index designed to provide diversified exposure to high yielding liquid preferred securities issued by Real Estate Investment Trusts listed in the U.S. The index is unmanaged, its returns do not reflect any fees, expenses or sales changes, and is not available for direct investment.

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

### FUND RISKS

**Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid.

**Real Estate Investments:** The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management.

**Industry/Sector Concentration:** A fund 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 fund.

**Passive Strategy/Index Risk:** A passive investment strategy seeking to track the performance of the Underlying Index may result in the fund holding securities regardless of market conditions or their current or projected performance. This could cause the fund's returns to be lower than if the Fund employed an active strategy.

**Correlation to Index:** The performance of the fund and its index may vary somewhat due to factors such as fund flows, transaction costs, and timing differences associated with additions to and deletions from its index.

**Market Volatility:** Securities in the fund may go up or down in response to the prospects of individual companies and general economic conditions. Price changes may be short or long term.

**Prospectus:** For additional information on risks, please see the fund's prospectus.

**Please consider the Fund's objectives, risks, charges, and expenses before investing. Contact us at 1.800.243.4361 or visit [www.virtus.com](http://www.virtus.com) for a prospectus, which contains this and other information about the Fund. Read the prospectus carefully before investing.**

Not FDIC insured	May lose value	Not bank guaranteed
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