

Virtus LifeSci Biotech Clinical Trials ETF

3Q17

BBC

NYSE Arca

The Virtus LifeSci Biotech Clinical Trials ETF seeks investment results that correspond, before fees and expenses, to the price and yield performance of the LifeSci Biotechnology Clinical Trials Index.

INVESTMENT OPPORTUNITY

Biotechnology investors gain exposure to one of the most exciting, high-growth sectors in the global economy today. These companies are in the business of designing drugs that save lives. Everything ranging from antivirals, antibiotics, and cancer-fighting medicines to gene therapies, cell-based therapies, and enzyme replacement therapies are developed in the biotech sector.

BBC passively invests in clinical trials stage biotechnology companies. These are typically younger, smaller companies which do not have a drug approved, but instead focus on testing their experimental drug candidates in human clinical trials. Successful companies prudently manage their balance sheets through financings and partnerships in order to develop their potential blockbuster drugs.

In accordance with its index, BBC weights its constituents equally and rebalances semi-annually.

TOP 10 HOLDINGS AS OF 9/30/17

Beigene Ltd.-ADR 0.000	2.8%
Dynavax Technologies Corp.	2.2
Sangamo Therapeutics Inc.	2.2
Insmed Inc.	2.1
Juno Therapeutics Inc.	2.1
Arena Pharmaceuticals Inc. 0.000	2.0
Fibrogen Inc.	2.0
Immunomedics Inc.	2.0
Blueprint Medicines Corp.	1.9
Amicus Therapeutics Inc.	1.9

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

FUND INFORMATION

NAV symbol	BBC.NV
IOPV symbol	BBC.IV
CUSIP	26923G301
Inception Date	12/16/2014
Gross Expense Ratio	0.79%
Net Expense Ratio	N/A
No. of Holdings	74
Adviser	Virtus ETF Advisers LLC
Distributor	ETF Distributors, LLC
Index Provider	LifeSci Index Partners, 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.

The underlying LifeSci Biotechnology Products Index is rebalanced and reconstituted on June 15 and December 15 of each year.

FUND MANAGEMENT

BBP is a passively-managed, index-based ETF. Virtus ETF Advisers, LLC is the adviser to the fund, and LifeSci Index Partners, LLC is the index provider to the fund.



PORTFOLIO MANAGERS

Matthew B. Brown
Executive Managing Director, Portfolio Manager, Virtus ETF Solutions

Seth J. Kadushin
Director, Portfolio Manager, Virtus ETF Solutions

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

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception (12/16/2014)
NAV	21.28	57.94	28.53	n/a	n/a	n/a	5.77
Market Price	21.63	58.34	28.77	n/a	n/a	n/a	5.86
Index	21.57	59.05	29.75	n/a	n/a	n/a	6.46

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 for performance data current to the most recent month-end.

Gross Expense Ratio: 0.79%; Net Expense Ratio: N/A.

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 index is the **LifeSci Biotechnology Clinical Trials Index**, which is designed to track the performance of U.S. listed biotechnology stocks with a lead drug in the clinical trial stage of development, typically a Phase 1, Phase 2 or Phase 3 trial, but prior to receiving marketing approval. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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

FUND RISKS

Exchange Traded Fund: The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

Industry/Sector Concentration: A fund that focuses its investments on a particular industry or sector will be more sensitive to conditions that affect industry or sector than a non-concentrated fund.

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.

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 addition to and deletions from its index.

Non-Diversified: The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets.

No Guarantee: There is no guarantee that the portfolio will meet its objective.

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 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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