INVESTMENT OVERVIEW
The Fund seeks to generate current income by applying extensive credit research to capitalize on opportunities across undervalued sectors of the bond market in a short duration portfolio.

KEY FEATURES
Diversification and Flexibility — A multi-sector fixed income allocation offers exposure to U.S. as well as international economies, currencies, sectors, and securities. Newfleet rotates across 14 major bond segments in order to benefit from opportunity and manage risk.

Risk Management — A focus on minimizing credit and interest rate risk through active sector rotation and superior security selection.

Extensive Fundamental Research — Security selection driven by bottom-up analysis of individual bond quality, credit risk, valuation, company management, structure, and technical elements.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/19

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.

The fund class gross expense ratio is 0.72% and reflects the direct and indirect expenses paid by the Fund. The gross expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.71%. Average annual total return is the annual compound return for the indicated period and reflects the change in share price and the reinvestment of all dividends and capital gains. Returns for periods of one year or less are cumulative returns. Class I shares have no sales charges or distribution or service fees, therefore their returns do not reflect these expenses. Fees and expenses vary, and other share classes are subject to sales charges and fees. Class I shares are offered primarily to eligible institutional investors who purchase the minimum amounts required as described in the prospectus and may not be available to all investors. For fund performance on other share classes, please visit www.virtus.com.

ANNUAL PERFORMANCE (%)

GROWTH OF $10,000

This chart assumes an initial investment of $10,000 made on 6/6/2008. As of 9/30/2019 the fund value would have been $16,724.95. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

INVESTMENT ADVISER
Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER
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.

PORTFOLIO MANAGER
David L. Albricht, CFA
Industry start date: 1985
Start date as Fund Portfolio Manager: 1993
**RATINGS DISTRIBUTION**

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<th>Rating</th>
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**PRODUCT PERFORMANCE**

- **30-Day SEC Yield**: 2.80%
- **Weighted Average Duration**: 2.12 years
- **Weighted Average Maturity**: 3.13 years

**DISTRIBUTIONS**

- **Month**: July 2019
  - NAV at Month-End: $0.012900
  - 4.72%
- **Month**: August 2019
  - NAV at Month-End: $0.013720
  - 4.74%
- **Month**: September 2019
  - NAV at Month-End: $0.011480
  - 4.72%

**INDEX DEFINITION**

Index: The ICE BofAML 1-3 Year A-BBB US Corporate Index measures performance of U.S. corporate bond issuers rated A1 through BBB- inclusive (based on an average of Moody’s, S&P and Fitch), with a remaining term to final maturity less than 3 years. 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.

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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