

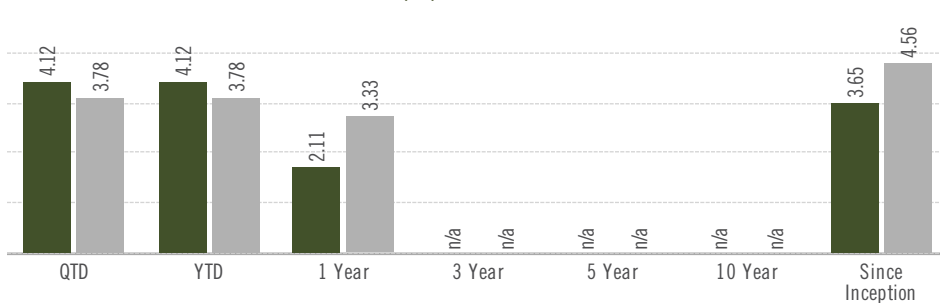
INVESTMENT OVERVIEW

The Fund seeks to generate attractive total return and income by primarily investing in senior-secured, non-investment grade bank loans. Newfleet applies a disciplined, time-tested investment process focused on managing risk and capturing valuation opportunities with strong income attributes.

KEY FEATURES

- Diversification** — Provides exposure to floating rate securities, which have historically offered relatively high income potential with low correlations to other fixed income segments
- A Potential Rising Rate Hedge** — Periodic coupon resets may help floating rate debt protect against interest rate risk and principal value fluctuations in rising interest rate periods
- Extensive Credit Research** — Top-down and bottom-up analysis evaluates relative industry attractiveness and individual security and company credit risk and investment potential

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/19



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.

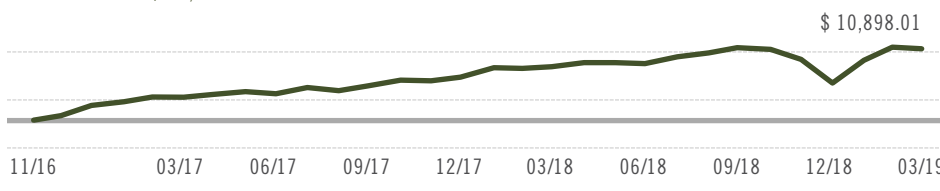
The fund class gross expense ratio is 0.86%. The net expense ratio is 0.70%, which reflects a contractual expense reimbursement in effect through 1/31/2020.

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 R6 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 R6 shares are offered primarily to investors who do not require the Fund or an affiliate of the Fund to make or pay any type of servicing, administrative or participation payments with respect to the shares. Class R6 shares may not be available to all investors. For fund performance on other share classes, please visit www.virtus.com.

ANNUAL PERFORMANCE (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fund	-0.70	3.49	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Index	1.14	4.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 11/3/2016. As of 3/29/2019 the fund value would have been \$10,898.01. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	PSFRX	92828R545
C Shares	PFSRX	92828R537
I Shares	PSFIX	92828R529
R6 Shares	VRSFX	92828W254

Inception Date	11/03/16
AUM (\$ millions)	407.7
Number of Holdings	273
Dividends	Daily
Morningstar Category	Bank Loan
Lipper Category	Loan Participation Funds
Index	Credit Suisse Leveraged Loan Index

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.

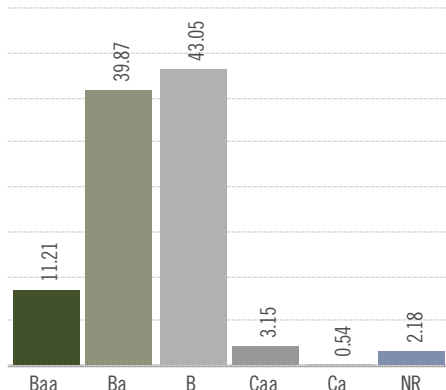
PORTFOLIO MANAGER

David L. Albrycht, CFA
Industry start date: 1985
Start date as Fund Portfolio Manager: 2008

Kyle A. Jennings, CFA
Industry start date: 1992
Start date as Fund Portfolio Manager: 2008

Francesco Ossino
Industry start date: 1996
Start date as Fund Portfolio Manager: 2012

RATINGS DISTRIBUTION % Invested Assets



CHARACTERISTICS

	Fund
Effective Duration	0.33
Weighted Average Maturity	4.93
SEC Yield ¹	5.38

¹ SEC Yield (Class R6 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. Performance figures represent a partial waiver/reimbursement of fees where applicable. Without the partial waiver/reimbursement of fees, performance figures would be lower and the SEC Yield would have been: 5.23%.

TOP TEN HOLDINGS % Fund

Charter Communications Operating LLC, Term B Loan, 04/30/2025	1.56
TransDigm Inc, 2018 New Tranche F Term Loan, 06/09/2023	1.55
Level 3 Parent LLC, Tranche B 2024 Term Loan, 02/22/2024	1.40
Univision Communications Inc, 2017 Replacement Term Loan, 03/15/2024	1.28
Vertafore Inc, Initial Term Loan (First Lien), 07/02/2025	1.13
AZEK Co LLC/The, New Term Loan, 05/05/2024	1.10
First Data Corp, 2024A New Dollar Term Loan, 04/26/2024	1.06
INEOS US Finance LLC, 2024 Dollar Term Loan, 04/01/2024	1.04
Caesars Resort Collection LLC, Term B Loan, 12/23/2024	1.03
Trans Union LLC, 2017 Replacement Tranch B-3 Loan, 04/10/2023	0.98

DISTRIBUTIONS

Month		NAV at Month-End
January 2019	\$0.043279	9.09
February 2019	\$0.039293	9.19
March 2019	\$0.043133	9.13

SECTOR ALLOCATIONS % Invested Assets

Healthcare	11.24
Service	10.93
Gaming/Leisure	7.62
Information Technology	6.95
Media/Telecom - Cable/Wireless Video	5.38
Housing	5.21
Manufacturing	5.06
Forest Prod/Containers	4.41
Energy	4.35
Media/Telecom - Telecommunications	4.32
Chemicals	3.78
Utility	3.70
Consumer Non-Durables	3.64
Financial	3.46
Media/Telecom - Broadcasting	3.09
Food/Tobacco	2.99
Transportation - Automotive	2.76
Aerospace	2.57
Media/Telecom - Diversified Media	2.34
Retail	2.22
Media/Telecom - Wireless Communications	1.45
Consumer Durables	1.12
Food and Drug	0.82
Metals/Minerals	0.61

Holdings and sector weightings are subject to change.

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.

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.

INDEX DEFINITION

Index: The Credit Suisse Leveraged Loan Index is a market-weighted index that tracks the investable universe of the U.S. dollar denominated leveraged loans. 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.

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 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.

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