INVESTMENT OVERVIEW
The Fund seeks to generate total return from both current income and capital appreciation by investing primarily in higher-quality intermediate-term debt securities across 14 global bond sectors. A disciplined, time-tested investment process and rigorous risk management approach aim to capitalize on opportunities across undervalued areas of the fixed income markets.

KEY FEATURES
Broad Fixed Income Exposure — Highly diversified, duration-neutral core plus bond allocation, primarily focused on higher-quality, more liquid securities
Relative Value Focus — Top-down analysis weighs relative attractiveness of 14 global bond sectors, evaluating fundamentals, yields, spreads, and supply/demand dynamics
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 0.86%. The net expense ratio is 0.62%, which reflects a contractual expense reimbursement in effect through 1/31/2020. 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 0.60%.

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 3/7/1996. As of 9/30/2019 the fund value would have been $36,867.85. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Effective July 9, 2019, this Fund changed its name from Virtus Newfleet Bond Fund.
RATINGS DISTRIBUTION

<table>
<thead>
<tr>
<th>% Fund</th>
<th>% Fund</th>
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<tbody>
<tr>
<td>3.74</td>
<td>31.05</td>
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<tr>
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Aaa | Aa | A | Ba | B | Caa | NR |
---|---|---|---|---|----|----|
3.74|15.18|7.63|2.92|0.00|0.24|0.00|

1 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.
2 30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.

**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. ABS/MBS: Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral. 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. Bank Loans: Loans may be unsecured or not fully collateralized, may involve interest rate risk or reward for a portfolio's underlying bond prices. Effective Duration: The length of time until the average security in a fund will mature, be redeemed by its issuer, or paid at par. Weighted Average Maturity: The average time until all the securities in a fund will mature, be redeemed by their issuers, or paid at par. Effective Duration is generally a smaller number than Weighted Average Maturity.

**Ratings Distribution Methodology**

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the creditworthiness of a corporation's or government's debt issues. The ratings apply to the fund's holdings and not the fund itself. Ratings are provided by Standard & Poor's, Moody's, and Fitch. For certain securities that are not rated by any of these three agencies, credit ratings from other agencies may be used. Where the rating agencies rate a security differently, Newfloat uses the higher rating. If a rating is not available, 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. Morningstar Rating™ for funds, or 'star rating,' is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 21.6% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effect of sales charges and loads.

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** 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 specific 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 average time until all the securities in a fund will mature, be redeemed by its issuer, or paid at par. Effective Duration is generally a smaller number than Weighted Average Maturity.