INVESTMENT OVERVIEW
The Fund seeks to maximize total return through current income that is exempt from federal income taxes, combined with capital appreciation consistent with capital preservation, by investing in investment grade municipal securities. A dynamic, multifaceted investment process balances emphasis across four facets: duration management, yield curve positioning, sector rotation, and security selection.

KEY FEATURES
Tax-Exempt Income — Strives to generate income free from federal income taxes
Attractive Total Return Potential — Market inefficiencies may create buying and selling opportunities that facilitate meaningful return potential
Extensive Fundamental Research — Bottom-up security selection evaluates factors such as fundamental credit analysis, security structural features, and potential price volatility

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See virtus.com for details.

Benchmark life performance is reported from 01/31/94. The fund class gross expense ratio is 0.88%. The net expense ratio is 0.61%, which reflects a contractual expense reimbursement in effect through 4/30/2022. 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 0.58%.

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.

ANNUAL PERFORMANCE (%)
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</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>7.83</td>
<td>0.67</td>
<td>5.46</td>
<td>0.76</td>
<td>3.12</td>
<td>10.87</td>
<td>-1.71</td>
<td>8.98</td>
<td>11.00</td>
<td>3.35</td>
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<tr>
<td>Index</td>
<td>7.54</td>
<td>1.28</td>
<td>5.45</td>
<td>0.25</td>
<td>3.30</td>
<td>9.05</td>
<td>-2.55</td>
<td>6.78</td>
<td>10.70</td>
<td>2.38</td>
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GROWTH OF $10,000
This chart assumes an initial investment of $10,000 made on 1/25/1994. As of 9/30/2020 the fund value would have been $36,879.36. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.
Standard Deviation:
Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

Sharpe Ratio:
A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

Beta:
A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Alpha:
A risk-adjusted measure of an investment's excess return relative to a benchmark index. The length of time until the average security in a fund will mature, be redeemed by the issuer, or paid down over time, which is the case with most securitized assets. Weighted Average Maturity:
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 effect of prepayments. 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 effect of prepayments.

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. Standard, & Poor's, Moody's, and Fitch ratings are used for all ratings-eligible securities. If all three agencies have rated the security, then the median rating based on numerical equivalents is used. If only two agencies have rated the security, then the lower of the two ratings is used. If only one agency has rated the security, a rating from that agency is used. A rating is not available for a ratings-eligible security, the security is placed in the Not Rated Category. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, 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 reflects the variation of a managed product's monthly excess performance, placing more emphasis on downward variations and reward 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 22.5% 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% three-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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