

**INVESTMENT OVERVIEW**

The Fund seeks current income from a diversified portfolio of primarily short duration corporate bonds, asset-backed securities, mortgage-backed securities, U.S. Treasuries, and U.S. government agency debentures. Seix's bottom-up focused, top-down aware investment approach seeks to provide superior risk-adjusted returns over a full market cycle, as well as competitive absolute and relative returns over shorter horizons.

**KEY FEATURES**

**Lower Duration Risk** — Typically maintains an average effective duration between three months and one year

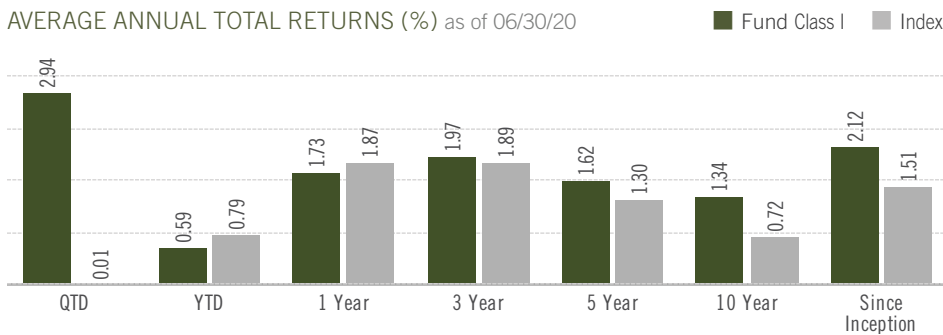
**Broad Fixed Income Exposure** — Emphasizes income, quality, diversification, and liquidity in order to serve as an anchor of a diversified portfolio

**Extensive Fundamental Research** — Combines macroeconomic and fundamental analysis to identify securities with the strongest risk/reward profiles

**FUND INFORMATION**

	<b>Ticker</b>	<b>CUSIP</b>
A Shares	SASSX	92837X673
I Shares	SISSX	92837F797
Inception Date	04/15/02	
AUM (\$ millions)	45.2	
Number of Holdings	63	
Dividends	Daily	
Morningstar Category	Ultrashort Bond	
Lipper Category	Ultra-Short Obligations Funds	
Index	Bloomberg Barclays U.S. Treasury Bill 3-6 Month Index	

**AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/20**



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](http://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](http://virtus.com) for details.

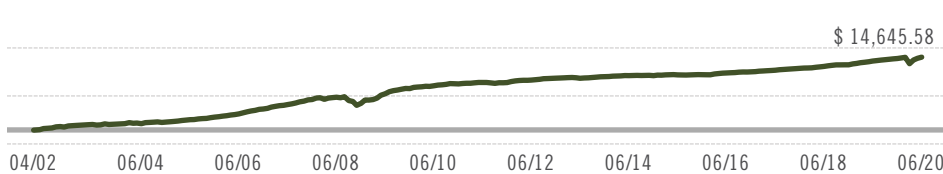
The fund class gross expense ratio is 0.61%. The net expense ratio is 0.40%, which reflects a contractual expense reimbursement in effect through 4/30/2021.

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 (%)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Fund</b>	2.84	1.61	1.62	1.34	0.45	0.48	0.72	2.15	0.67	2.35
<b>Index</b>	2.41	1.92	0.85	0.48	0.12	0.08	0.12	0.15	0.18	0.24

**GROWTH OF \$10,000**



This chart assumes an initial investment of \$10,000 made on 4/15/2002. As of 6/30/2020 the fund value would have been \$14,645.58. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

**MORNINGSTAR RATINGS**

Time Period	# of Stars	# of Funds
Overall	★★★	164
3 Year	★★★	164
5 Year	★★★	124
10 Year	★★★	56

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive future performance.

**INVESTMENT ADVISER**

Virtus Fund Advisers, LLC

**INVESTMENT SUBADVISER**



Seix Investment Advisors is an investment management boutique focused exclusively on managing fixed income securities since 1992. Seix seeks to generate competitive absolute and relative risk-adjusted returns over the full market cycle through a bottom-up focused, top-down aware process. Seix employs multi-dimensional approaches based on strict portfolio construction methodology, sell disciplines and trading strategies with prudent risk management as a cornerstone.

**PORTFOLIO MANAGERS**

**James F. Keegan**

Industry start date: 1982  
Start date as Fund Portfolio Manager: 2014

**Carlos Catoya**

Industry start date: 1987  
Start date as Fund Portfolio Manager: 2015

**Michael Rieger**

Industry start date: 1986  
Start date as Fund Portfolio Manager: 2014

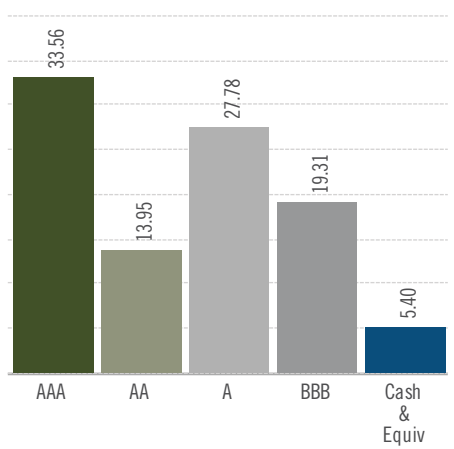
**Perry Troisi**

Industry start date: 1986  
Start date as Fund Portfolio Manager: 2014

**Jonathan Yozzo**

Industry start date: 1991  
Start date as Fund Portfolio Manager: 2015

**RATINGS DISTRIBUTION**



**CHARACTERISTICS**

Characteristic	Fund
Effective Duration	0.51
Weighted Average Maturity	1.52
30-day SEC Yield <sup>1</sup>	1.11
30-day SEC Yield (unsubsidized) <sup>2</sup>	0.91

<sup>1</sup> 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

<sup>2</sup> 30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.

**TOP TEN HOLDINGS**

Holder	% Fund
American Express Credit Account Master Trust, 0.7648% 02/18/2025	3.48
WFRBS Commercial Mortgage Trust 2012-C8, 1.1939%	3.40
Small Business Administration Pools, 0.7500% 11/25/2028	3.17
VNDO 2013-PENN Mortgage Trust, 4.0787%	2.94
Capital One Multi-Asset Execution Trust, 1.7689% 05/15/2028	2.70
Hawaii Hotel Trust 2019-MAUI, 1.3348%	2.52
Boeing Co/The, 4.5080% 05/01/2023	2.50
GlaxoSmithKline Capital PLC, 0.7740% 05/14/2021	2.37
Ford Credit Auto Owner Trust 2015-REV2, 2.4400% 01/15/2027	2.22
Domino's Pizza Master Issuer LLC, 2.2414% 07/25/2047	2.14

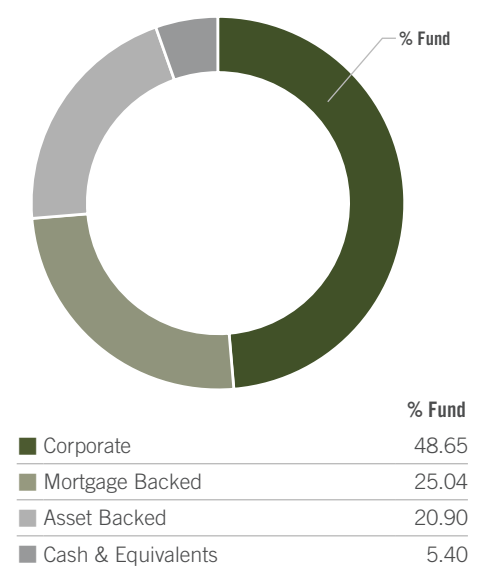
**DISTRIBUTIONS**

Month	NAV at Month-End
April 2020	\$0.011227 9.83
May 2020	\$0.011547 9.89
June 2020	\$0.011191 9.93

**RISK STATISTICS**

(3 YEAR)	Fund	Index
Alpha	1.04	n/a
Beta	-4.81	1.00
R <sup>2</sup>	0.46	1.00
Sharpe Ratio	0.12	0.59
Standard Deviation	1.97	0.28

**SECTOR ALLOCATIONS**



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. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **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. **Market Volatility:** Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the fund and its investments, including hampering the ability of the fund's portfolio manager(s) to invest the fund's assets as intended. **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. **Alpha:** A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R<sup>2</sup>:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

**INDEX DEFINITION**

Index: The Bloomberg Barclays U.S. Treasury Bill 3-6 Month Index measures performance of U.S. Treasury bills with a remaining maturity from one up to (but not including) 12 months. The index excludes zero coupon strips. 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 consider a Fund's investment objectives, risks, charges, and expenses carefully before investing. For this and other information about any Virtus Fund, contact your financial professional, call 800-243-4361, or visit [virtus.com](http://virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.

Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

Mutual funds distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

**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. Standard & Poor's, Moody's, and Fitch ratings are used. 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, the rating from that agency is used. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, 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 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% 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.

© 2020 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Lipper Category Classifications © 2020 Lipper. All rights reserved.

