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

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/20

<table>
<thead>
<tr>
<th></th>
<th>Fund Class I</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>QTD</td>
<td>0.97</td>
<td>1.05</td>
</tr>
<tr>
<td>YTD</td>
<td>11.5</td>
<td>11.3</td>
</tr>
<tr>
<td>1 Year</td>
<td>3.33</td>
<td>3.35</td>
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<tr>
<td>3 Year</td>
<td>4.19</td>
<td>4.24</td>
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<tr>
<td>5 Year</td>
<td>3.82</td>
<td>3.80</td>
</tr>
<tr>
<td>10 Year</td>
<td>3.82</td>
<td>3.80</td>
</tr>
<tr>
<td>Since Inception</td>
<td>4.97</td>
<td>4.97</td>
</tr>
</tbody>
</table>

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.

ANNUAL PERFORMANCE (%)

<table>
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</thead>
<tbody>
<tr>
<td>Fund</td>
<td>6.71</td>
<td>0.60</td>
<td>3.81</td>
<td>0.14</td>
<td>2.26</td>
<td>7.11</td>
<td>-1.48</td>
<td>5.76</td>
<td>9.49</td>
<td>2.97</td>
</tr>
<tr>
<td>Index</td>
<td>6.44</td>
<td>1.58</td>
<td>4.33</td>
<td>0.01</td>
<td>2.83</td>
<td>6.36</td>
<td>-1.05</td>
<td>4.74</td>
<td>8.80</td>
<td>2.97</td>
</tr>
</tbody>
</table>

GROWTH OF $10,000

This chart assumes an initial investment of $10,000 made on 10/21/1993. As of 9/30/2020 the fund value would have been $36,539.73. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

INFORMATION
Ticker |
-------|
A Shares SISIX |
I Shares STTBX |

Inception Date 10/21/93
AUM ($ millions) 306.3
Number of Holdings 115
Dividends Daily
Morningstar Category Muni National Intermediate Municipal Debt Funds
Lipper Category Intermediate Municipal Debt Funds

MORNINGSTAR RATINGS
Time Period # of Stars # of Funds
Overall ★★★★★ 240
3 Year ★★★★ 240
5 Year ★★★ 218
10 Year ★★★ 160
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
Ronald H. Schwartz CFA
Industry start date: 1982
Start date as Fund Portfolio Manager: 1992
Dusty Self
Industry start date: 1992
Start date as Fund Portfolio Manager: 2018
Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

**Standard Deviation:**

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

**Beta:**

That represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index.

**Effective Duration:**

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

**Modified Duration to Worst:**

A measure of the sensitivity of the price (the value of principal) of a fixed income security that will result from a 1% change in interest rates while taking into consideration the effects of any call or put provisions that may affect the security's life. 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.

**Ratings Distribution:**

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation 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 for rating 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 rating of the two ratings is used. If only one agency has rated the security, the rating from that agency is used. If a rating is not available for a ratings-eligible security, the security is placed in the NR (Not Rated) category. Ratings may be subject to change. AAA, AA, and A are investment grade ratings; BB, B, CCC, CC, C, and D are below-investment grade ratings.

**Top Ten Holdings:**

State of Ohio, 5.0000% 06/15/2032
City of Dallas TX Waterworks & Sewer System Revenue, 5.0000% 10/01/2031
County of Prince George's MD, 5.0000% 07/15/2031
Northwest Independent School District, 5.0000% 02/15/2028
New York City Transitional Finance Authority Futation Tax Secured Revenue, 5.0000% 02/01/2030
State of Maryland, 5.0000% 08/01/2025
State of Washington, 5.0000% 02/01/2030
Virginia College Building Authority, 5.0000% 02/01/2029
Edina Independent School District No 273, 5.0000% 02/01/2030

**Distributions:**

NAV at Month End

**RISK STATISTICS (3 YEAR):**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Alpha</th>
<th>Beta</th>
<th>R2</th>
<th>Sharpe Ratio</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.15</td>
<td>1.05</td>
<td>0.94</td>
<td>0.69</td>
<td>3.54</td>
</tr>
</tbody>
</table>

**SECTOR ALLOCATIONS:**

- **State General Obligation:** 20.15
- **Local General Obligation:** 17.54
- **Water & Sewer:** 13.83
- **Special Tax:** 9.59
- **Pre-Refunded:** 8.65
- **Transportation:** 7.91
- **Cash & Equivalents:** 7.41
- **Power:** 6.75
- **Education:** 4.22
- **Lease:** 2.69
- **Hospital:** 1.05
- **IDR/PCR:** 0.20

**Time Frame:**

- 30-day SEC Yield (unsubsidized)

**Portfolio Holdings and Sector Weightings:**

Holdings and sector weightings are subject to change.