

## INVESTMENT OPPORTUNITY

The Fund seeks current income and, secondarily, capital appreciation through a portfolio of over 100 preferred securities issued by U.S. companies with market capitalizations of over \$100 million.

## KEY FEATURES

**Focus on Income** — Offers the potential for attractive yields, while pursuing compelling total return results

**Active Management** — Security selection and weightings are based on a variety of quantitative, qualitative, and relative valuation factors

**Enhanced Exposure** — Modest leverage (typically 20-30%) is utilized to enhance portfolio beta, and options strategies are used in an effort to enhance current income

## INVESTMENT PROCESS

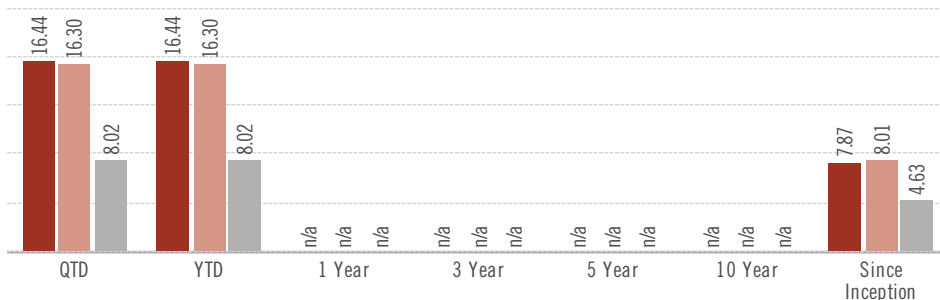
1 Evaluate potential investments on a variety of key variables, including the competitive position of a company; the perceived ability of the company to earn a high return on capital; the historical and projected stability and reliability of the profits of the company; the anticipated ability of the company to generate cash in excess of its growth needs; and the access of the company to additional capital.

2 Generally underweight or eliminate callable preferred securities exhibiting a low or negative yield-to-call ratio.

3 Apply leverage to potentially enhance portfolio exposure.

4 Employ option overlay strategies primarily to seek to provide additional current income; opportunistic short positions may be employed to hedge interest rate risk.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/19 ■ NAV ■ Market Price ■ Index



Returns for periods of less than one year are cumulative total returns.

**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 Gross Expense Ratio represents the Fund's Total Annual Fund Operating Expenses, which includes a management fee, structured as a unified fee, out of which the Fund's subadviser pays all routine expenses, except for certain payments as described in the prospectus, which are paid by the Fund.

	NYSE Arca
NAV Symbol	PFFA.NV
IOPV Symbol	PFFA.IV
CUSIP	26923G822
Inception Date	05/15/18
Gross Expense Ratio	2.13%
Net Expense Ratio	2.13%
Management Fee	0.80%
Adviser	Virtus ETF Advisers LLC
Distributor	ETF Distributors, LLC
Subadviser	Infrastructure Capital Advisors
Benchmark	S&P U.S. Preferred Stock Index

IOPV, or Indicative Optimized Portfolio Value, is a calculation disseminated by the stock exchange that approximates the Fund's NAV every fifteen seconds throughout the trading day.

## PORTFOLIO MANAGEMENT



Infrastructure Capital Advisors, LLC (ICA) is a registered investment advisor that manages an actively managed ETF and a series of hedge funds. The firm was formed in 2012 and is based in New York City.

## INVESTMENT PROFESSIONALS

### Jay D. Hatfield

Chief Investment Officer  
Industry start date: 2000  
Start date as Fund Portfolio Manager: 2018

### Edward Ryan

Chief Investment Officer  
Industry start date: 1980  
Start date as Fund Portfolio Manager: 2018

TOP TEN HOLDINGS (%)	% Fund
National General Holdings Corp 7.500%	5.18
EPR Properties 5.750%	4.94
Energy Transfer Operating LP 7.375%	4.69
DCP Midstream LP 7.875%	4.65
Oaktree Capital Group LLC 6.625%	4.41
SCE Trust VI 5.000%	4.35
Seaspan Corp 8.200%	4.03
Global Net Lease Inc 7.250%	3.87
Wells Fargo & Co 5.500%	3.82
Hersha Hospitality Trust 6.500%	3.59

Holdings are subject to change. To view the full list of holdings, please visit [virtus.com](http://virtus.com).

## IMPORTANT RISK CONSIDERATIONS

**Exchange-Traded Funds (ETF):** The value of an ETF may be more volatile than the underlying portfolio of securities it is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities. **Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid. **Non-Diversified:** The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets. **Short Sales:** The fund may engage in short sales, and may experience a loss if the price of a borrowed security increases before the date on which the fund replaces the security. **Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **No Guarantee:** There is no guarantee that the portfolio will meet its objective. **Prospectus:** For additional information on risks, please see the fund's prospectus.

## BENCHMARK

The S&P U.S. Preferred Stock Index measures performance of the U.S. preferred stock market. Preferred stocks pay dividends at a specified rate and receive preference over common stocks in terms of dividend payments and liquidation of assets. The index is calculated on a total return

basis with dividend reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

The Fund is an exchange-traded fund ("ETF"). The "net asset value" (NAV) of the Fund is determined at the close of each business day, and represents the dollar value of one share of the Fund; it is calculated by taking the total assets of the Fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV of the Fund is not necessarily the same as its intraday trading value. Fund investors should not expect to buy or sell shares at NAV because shares of ETFs such as the Fund are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Thus, shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. NAV returns are calculated using the Fund's daily 4:00 pm NAV, and include the reinvestment of all dividends and other distributions (reinvested at the Fund's NAV on distribution ex-date). Market price returns are calculated using the 4:00 pm midpoint between the bid and offer, and include the reinvestment of all dividends and other distributions (reinvested at the 4:00 pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.

**Please consider the Fund's objectives, risks, charges, and expenses before investing. Contact us at 1.800.243.4361 or visit [www.virtus.com](http://www.virtus.com) for a prospectus, which contains this and other information about the Fund. Read the prospectus carefully before investing.**

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

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