

INVESTMENT OVERVIEW

The Fund seeks to generate attractive total return from both current income and capital appreciation by investing primarily in short-duration 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

Lower Duration — Highly diversified, one- to three-year average duration bond allocation, primarily focused on higher-quality, more liquid securities

Relative Value Focus — Utilizes relative value analysis across sectors and industries to evaluate yields, spreads, supply/demand dynamics, and sector fundamentals

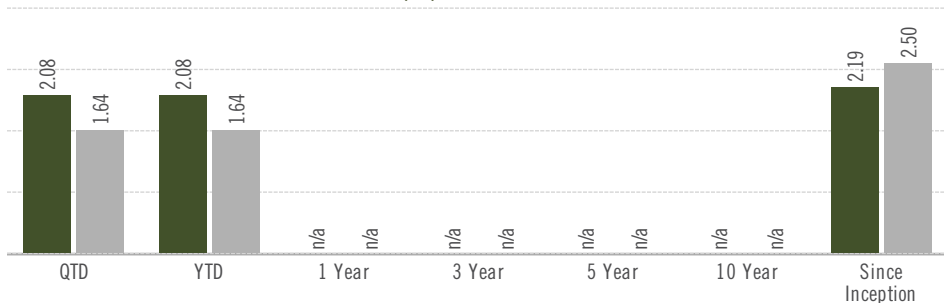
Extensive Fundamental Research — Security selection driven by bottom-up analysis of individual bond quality, credit risk, valuation, company management, structure, and technical elements

FUND INFORMATION

	Ticker	CUSIP
A Shares	HIMZX	92828W346
I Shares	HIBIX	92828W320
C Shares	PCMZX	92828W338
R6 Shares	VLDRX	92828W197

Inception Date	12/19/18
AUM (\$ millions)	412.0
Number of Holdings	543
Dividends	Daily
Morningstar Category	Short-Term Bond
Lipper Category	Short Investment Grade Debt Funds
Index	Virtus Low Duration Income Linked Benchmark

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/19

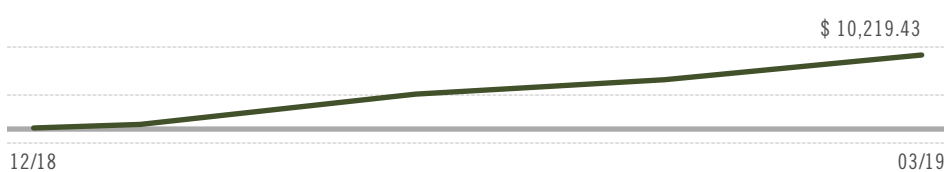


Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate, so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

The fund class gross expense ratio is 0.61%. The net expense ratio is 0.43%, which reflects a contractual expense reimbursement in effect through 1/31/2020.

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 R6 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 R6 shares are offered primarily to investors who do not require the Fund or an affiliate of the Fund to make or pay any type of servicing, administrative or participation payments with respect to the shares. Class R6 shares may not be available to all investors. For fund performance on other share classes, please visit www.virtus.com.

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 12/19/2018. As of 3/29/2019 the fund value would have been \$10,219.43. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Newfleet Asset Management leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction.

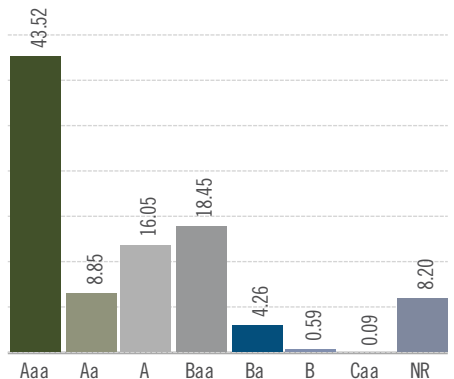
PORTFOLIO MANAGERS

David L. Albrycht, CFA
Industry start date: 1985
Start date as Fund Portfolio Manager: 2012

Benjamin Caron, CFA
Industry start date: 1997
Start date as Fund Portfolio Manager: 2012

Lisa M. Baribault
Industry start date: 2003
Start date as Fund Portfolio Manager: 2017

RATINGS DISTRIBUTION



CHARACTERISTICS

Characteristic	Fund
Effective Duration	1.94
Weighted Average Maturity	2.64

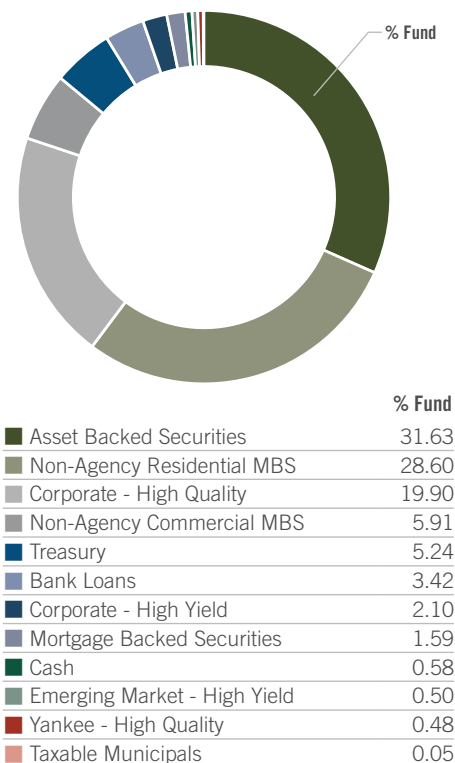
TOP TEN HOLDINGS

Security	% Fund
United States Treasury Note/Bond, 1.6250% 04/30/2019	3.95
United States Treasury Bill, 0.0000% 06/27/2019	1.26
Fannie Mae Pool, 3.0000%	0.86
Verus Securitization Trust 2018-2, 3.6770%	0.81
New Residential Mortgage Loan Trust 2019-NQM1, 3.6746%	0.68
COMM 2014-277P Mortgage Trust, 3.6113%	0.65
CCG Receivables Trust 2018-1, 2.5000% 06/16/2025	0.65
JP Morgan Mortgage Trust 2017-5, 3.1752%	0.64
Angel Oak Mortgage Trust I LLC 2018-3, 3.6490%	0.63
Starwood Mortgage Residential Trust 2018-IMC1, 3.7930%	0.59

DISTRIBUTIONS

Month	NAV at Month-End
January 2019	\$0.026190 10.65
February 2019	\$0.025636 10.67
March 2019	\$0.028183 10.72

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. **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. **Foreign Investing:** Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. **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. **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.

Please carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit 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.

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INDEX DEFINITION

Index: The Virtus Low Duration Income Fund Linked Benchmark consists of the ICE BofAML 1-5 Year US Corporate & Government Bond Index which tracks the performance of US dollar denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, U.S. agency, foreign government, supranational and corporate securities, with a remaining term to final maturity less than 5 years, 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. Performance of the Virtus Low Duration Income Linked Benchmark prior to 2/1/2017 is that of the Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index.

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. The higher of the ratings between Moody's, Standard & Poor's, and Fitch is used. If one of the three agencies does not have a rating, the higher of the other two ratings is used. If only one agency has rated the bond, the rating from that agency is used. If none of the three agencies have rated the bond, 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.

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