

ADDRESSING BLOATED RISK BUDGETS IN AN EQUITY BULL MARKET



SPOTLIGHT ON: VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND FUND

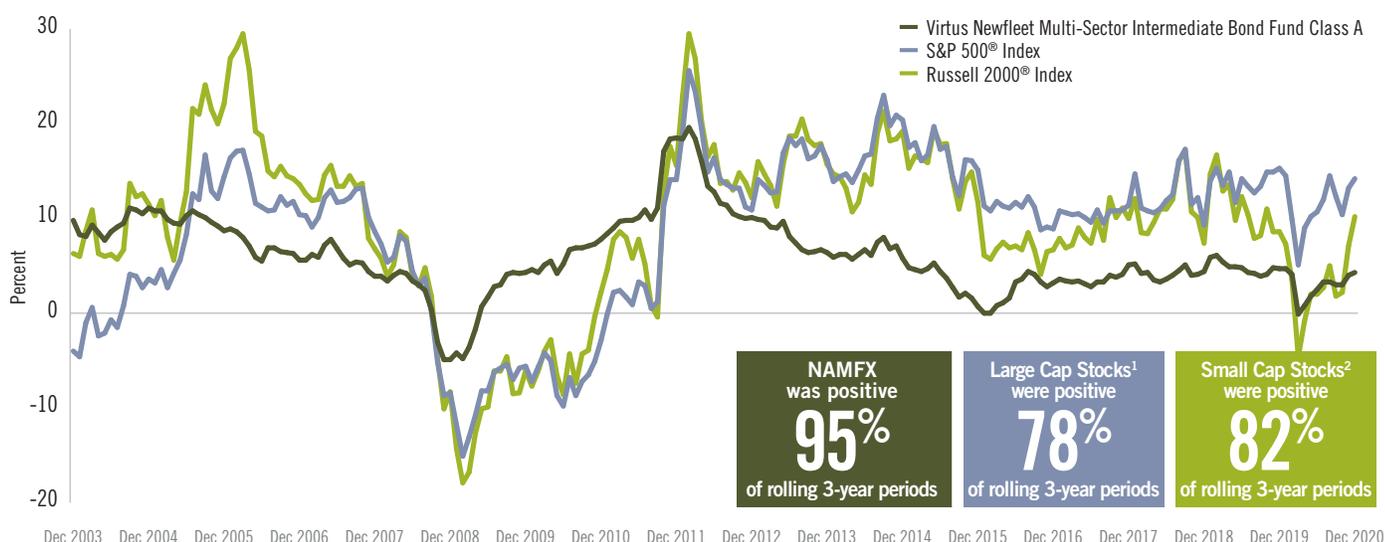
A: NAMFX / C: NCMFX / I: VMFIX / R6: VMFRX

As equity markets have continued to reach new highs, financial advisors may be looking to pare back equity exposure to align with client risk tolerances. One way to achieve this—without completely moving to the sidelines—is to rebalance into asset classes that have the **potential to generate attractive returns with less risk than equities**.

Over the past 20 years, the **Virtus Newfleet Multi-Sector Intermediate Bond Fund** has delivered exactly that.

Consistently Delivered More Periods of Positive Returns than U.S. Large- and Small-Cap Stocks

Rolling 3-Year Periods, 20 Years ended 12/31/20



Historically Provided Equity-Like Returns with Less than Half the Volatility of U.S. Large- and Small-Cap Stocks

Interest rates declined over the past twenty years, providing strong tailwinds for longer duration fixed income. Now, interest rates appear likely to stay “lower for longer.” However, during market declines, NAMFX historically has delivered **less than half of the maximum drawdown of equities**, with a significantly faster time to recovery.

Risk/Return Analysis, 20 years ended 12/31/20

	Return (%)	Standard Deviation	Sharpe Ratio	Return per Unit of Risk	Max Drawdown	Peak Date	Valley Date	Recovery Date
NAMFX	6.01	6.77	0.68	0.89	-26.24	11/1/07	12/15/08	8/13/09
Large-Cap Stocks ¹	7.47	15.08	0.46	0.50	-55.25	10/10/07	3/9/09	4/2/12
Small-Cap Stocks ²	8.74	20.01	0.45	0.44	-58.89	7/14/07	3/9/09	2/11/11

NAMFX has delivered:

- 80%** of the return of Large-Cap Stocks¹ with **45%** of the risk
- 69%** of the return of Small-Cap Stocks² with **34%** of the risk

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. Class A shares have a maximum sales charge of 3.75%. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid.

¹ Large-Cap Stocks represented by the S&P 500® Index.

² Small-Cap Stocks represented by the Russell 2000® Index.



Newfleet is a time-tested leader in unconstrained multi-sector fixed income management, with the expertise to manage the complexity of the fixed income market. Newfleet rotates across 14 major bond segments globally in order to benefit from opportunity—and manage risk.

To learn more, please contact us at 800-243-4361 or visit virtus.com

Virtus Newfleet Multi-Sector Intermediate Bond Fund Average Annual Total Returns and Morningstar Ratings

Class A as of 12/31/20

RETURNS (%)	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION (12/15/1989)
Fund NAV	4.68	5.91	5.91	4.32	6.04	4.87	6.93
Fund POP	0.76	1.94	1.94	3.00	5.23	4.47	6.80
Index	0.67	7.51	7.51	5.34	4.44	3.84	5.94

Multisector Bond Category based on total returns as of 12/31/20

TIME PERIOD	# OF FUNDS	RATINGS
Overall	295	★★★
3 Year	295	★★★
5 Year	259	★★★★
10 Year	135	★★★

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The fund class gross expense ratio is 1.10%. The net expense ratio is 0.99%, which reflects a contractual expense reimbursement in effect through 1/31/2021.

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.

Morningstar: 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 effects of sales charges and loads.

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Past performance is not indicative of future results.

Maximum Drawdown: The peak-to-trough decline during a specific record period of an investment, fund, or commodity. A drawdown is usually quoted as the percentage between the peak and the trough. **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. **Return per Unit of Risk:** The annualized return divided by the standard deviation.

IMPORTANT RISK CONSIDERATIONS: Credit & Interest: Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans are subject to credit and call risk, may be difficult to value, and have longer settlement times than other investments, which can make loans relatively illiquid at times. **Foreign & Emerging Markets:** Investing in foreign securities, especially in emerging markets, subjects the fund to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, 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 non-repayment of underlying collateral, including losses to the fund. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

Index: The **Bloomberg Barclays U.S. Aggregate Bond Index** measures the U.S. investment grade fixed rate bond market. 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 it 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 representative, call 800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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