DO YOU HAVE A CRYSTAL BALL FOR INTEREST RATES? NEITHER DO WE.

VIRTUS FUNDS

After more than a decade of all-time low interest rates, the Federal Reserve ("Fed") began to implement a tightening policy (increases in the Fed Funds rate) in December 2015. Investors began to once again place more emphasis on interest rate risk over solely focusing on credit risk. As we progressed through the Fed tightening cycle—which saw nine hikes over three years—investors poured money into bank loans and short-term bond funds due to their shorter durations.

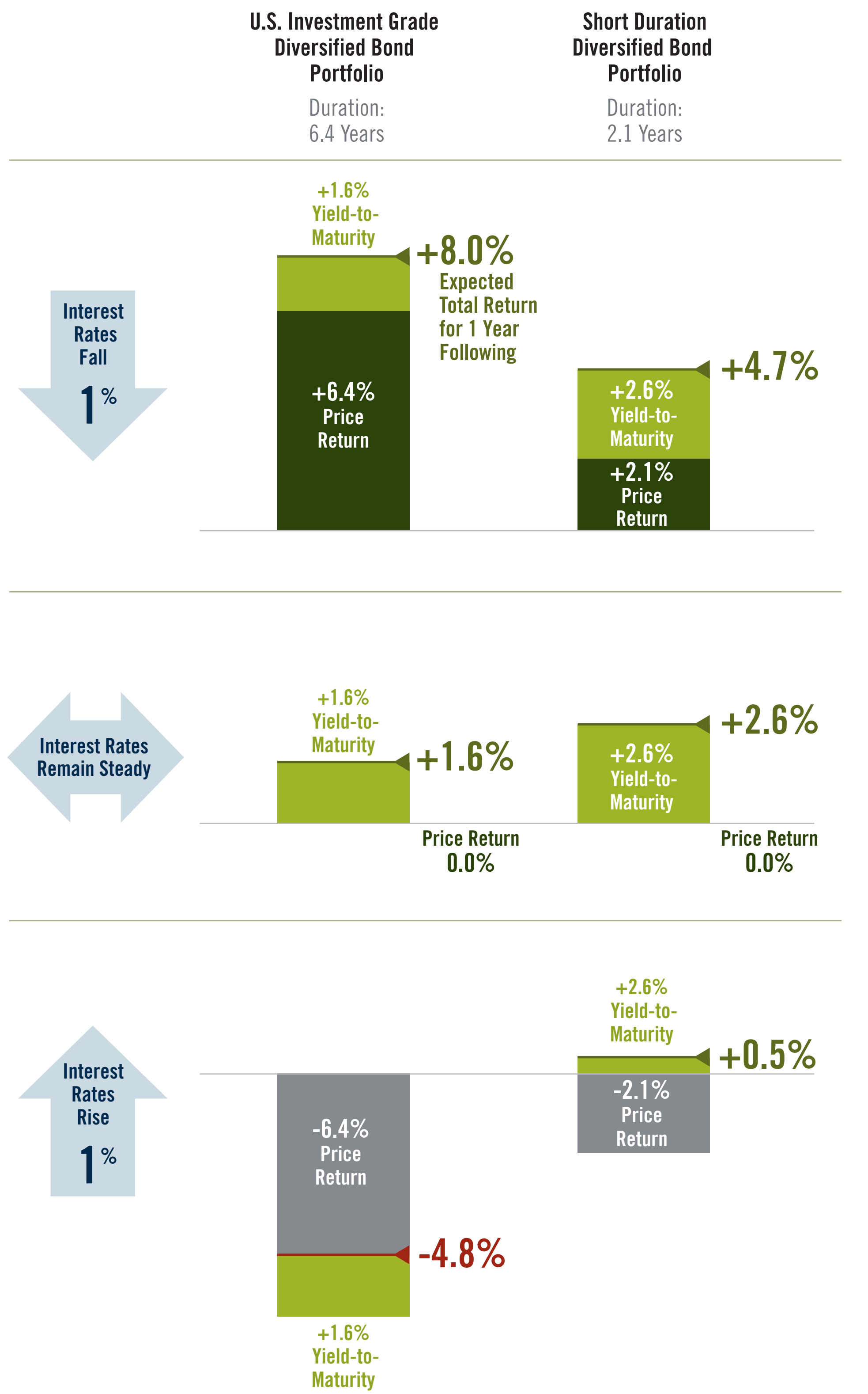
As recently as 2018, the expectation was that rates would continue to rise for the foreseeable future. That expectation changed, however, at the end of 2018, as global economies experienced tightening financial conditions. The Fed reversed course in 2019, returning to more accommodative monetary policy. With three Fed Funds rate cuts in 2019, investors have been reallocating to the intermediate-to-long end of the yield curve.

But what if financial conditions improve and, in response, Fed policy once again shifts to tightening?

No one can predict where interest rates are headed. Adding a multi-sector short-duration bond fund as a complement to a core fixed income portfolio may increase diversification. Benefits may include:

- Volatility mitigation opportunity
- Return generation potential
- Interest rate hedging

Consider three possible interest rate scenarios, with a focus on duration and yield:



For illustrative purposes only. Does not represent the performance of any Virtus product. This example assumes no spread tightening, which generally occurs during a period of rising rates.

Past performance is not indicative of future results. Current duration as of 3/31/21. **Duration** represents the interest rate sensitivity of a fixed income fund. For example, if the fund's duration is five years, a 1% increase in interest rates would result in a 5% decline in the fund's price. Similarly, a 1% decline in interest rates would result in a 5% gain in the fund's price. **Yield to maturity (YTM)** is the total return anticipated on a bond if the bond is held until it matures. Source: Newfleet Asset Management. For illustrative purposes only. This example excludes any potential impacts of credit risk. Does not represent the performance of any Virtus product. **Price Return** = duration x rate increase.

As pioneers in full universe multi-sector investing, Newfleet Asset Management offers portfolios with diversified exposure to 14 fixed income sectors in order to benefit from opportunity—and manage risk. Newfleet subadvises two multi-sector short-term bond funds: **Virtus Newfleet Multi-Sector Short Term Bond Fund (PIMSX)** and **Virtus Newfleet Low Duration Core Plus Bond Fund (HIBIX).**

Average Annual Total Returns As of 3/31/21

Returns (%)	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 6/6/08	SEC Yield (%)	SEC Yield (unsubsidized)	Duration (Years)
PIMSX	-0.05	-0.05	10.52	3.52	3.68	3.36	4.53	2.02	—	2.1
Index	0.02	0.02	6.32	3.92	2.93	2.60	3.15			

Returns (%)	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 2/23/96	SEC Yield (%)	SEC Yield (unsubsidized)	Duration (Years)
HIBIX	-0.14	-0.14	7.71	3.45	2.83	2.82	4.25	1.60	1.45	1.9
Index	-0.52	-0.52	2.11	3.69	2.36	2.15	n/a			

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.

PIMSX: The fund class gross expense ratio is 0.73% and reflects the direct and indirect expenses paid by the Fund.
The gross expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.72%.

HIBIX: The fund class gross expense ratio is 0.68%. The net expense ratio is 0.51%, which reflects a contractual expense reimbursement in effect through 2/1/2022. This ratio reflects the direct and indirect expenses paid by the Fund.
The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.50%.

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.

PIMSX Index: The **ICE BofA 1-3 Year A-BBB US Corporate Index** measures performance of U.S. corporate bond issues rated A1 through BBB3, inclusive (based on an average of Moody's, S&P and Fitch), with a remaining term to final maturity less than 3 years. The index is calculated on a total return basis. **HIBIX Index:** The **ICE BofA 1-5 Year US Corporate & Government Bond Index** 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 indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment.

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 portfolio 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 portfolio. **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.

Newfleet
ASSET MANAGEMENT
A Virtus Investment Partner

Interested in learning more about Virtus Newfleet Multi-Sector Short Term or Low Duration Core Plus Bond Funds? Contact us at 800-243-4361 or visit www.virtus.com.

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 for a prospectus or summary prospectus. Read it carefully before investing.

Not all products or marketing materials are available at all firms.

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

Distributed by **VP Distributors, LLC,** member FINRA and subsidiary of Virtus Investment Partners, Inc.