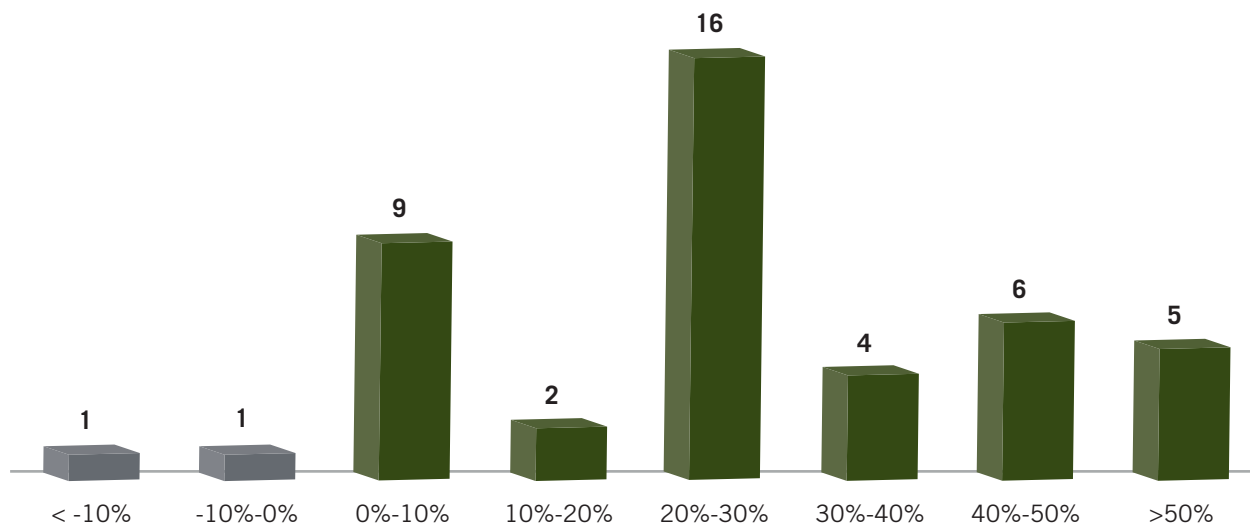


Large drawdowns have historically led to higher future return potential for high yield bonds. In 42 out of 44 periods over the last 30 years when high yield spreads crossed 800 basis points, returns in the following 12 months were positive.

12 Month Forward High Yield Return as Spreads Crossed 800bps



Past performance is not indicative of future results. J.P. Morgan U.S. High Yield Index. Source: JPMorgan as of 3/12/20.

- When investors bought high yield bonds at spreads above 800bps over the past 30 years, total returns were solid over the next 12 and 24 months in all but a few instances.
- The median annualized returns over the next 12, 24, and 36 months for high yield bonds, as spreads crossed 800bps, were 24.1% 18.7%, and 14.8%, respectively.
- In 44 instances on a two-year horizon, an investor has never lost money by buying high yield bonds when spreads crossed 800bps.
- The median annualized returns over the next 12, 24, and 36 months for high yield after spreads crossed 900bps are 36.9%, 25.5%, and 20.8%, respectively. There are 25 instances (March 2020 is the 26th) when spreads crossed 900bps and in 100% of those periods, investors experienced positive trailing 1-year returns.
- There have been 16 instances in which spreads crossed 1,000 bps. The average return over a 1-year period following this was 43.0% and the median return was 44.9%. The minimum return was 20.2% and the maximum return was 61.4%.
- For reference, the annualized return since inception of the J.P. Morgan U.S. High Yield Index is 8.34%.¹

Performance after Spreads Crossed 800bps

Annualized Returns of High Yield Bonds

	1 Year	2 Year	3 Year	4 Year	5 Year
Average	25.5%	20.0%	16.8%	14.6%	13.6%
Median	24.1%	18.7%	14.8%	13.2%	12.6%
High	61.4%	36.9%	25.9%	23.5%	20.5%
Low	-20.1%	3.2%	9.9%	7.4%	8.4%
Positive	42	44	44	44	42
Negative	2	–	–	–	–

Past performance is not indicative of future results. J.P. Morgan U.S. High Yield Index. Source: JPMorgan as of 3/12/20.

¹Index inception date is 1/31/1987. Data is as of 2/28/20. Performance shown is not indicative of any Virtus product.



To learn more about Virtus' suite of high yield solutions, please contact us at 1-800-243-4361 or visit virtus.com

VIRTUS SEIX HIGH INCOME FUND

Class A: SAHIX Class I: STHTX Class R6: STHZX

VIRTUS SEIX HIGH YIELD FUND

Class A: HYPX Class I: SAMHX Class R6: HYIZX

VIRTUS NEWFLEET HIGH YIELD FUND

Class A: PHCHX Class C: PGHCX Class I: PHCIX Class R6: VRHYX

SEIX HIGH YIELD WRAP

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. **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. **Foreign Investing:** Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the fund and its investments, including hampering the ability of the fund's portfolio manager(s) to invest the fund's assets as intended. **Prospectus:** For additional information on risks, please see a fund's prospectus.

The **J.P. Morgan U.S. High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

A **Basis Point (bp)** is equal to 0.01%.

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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