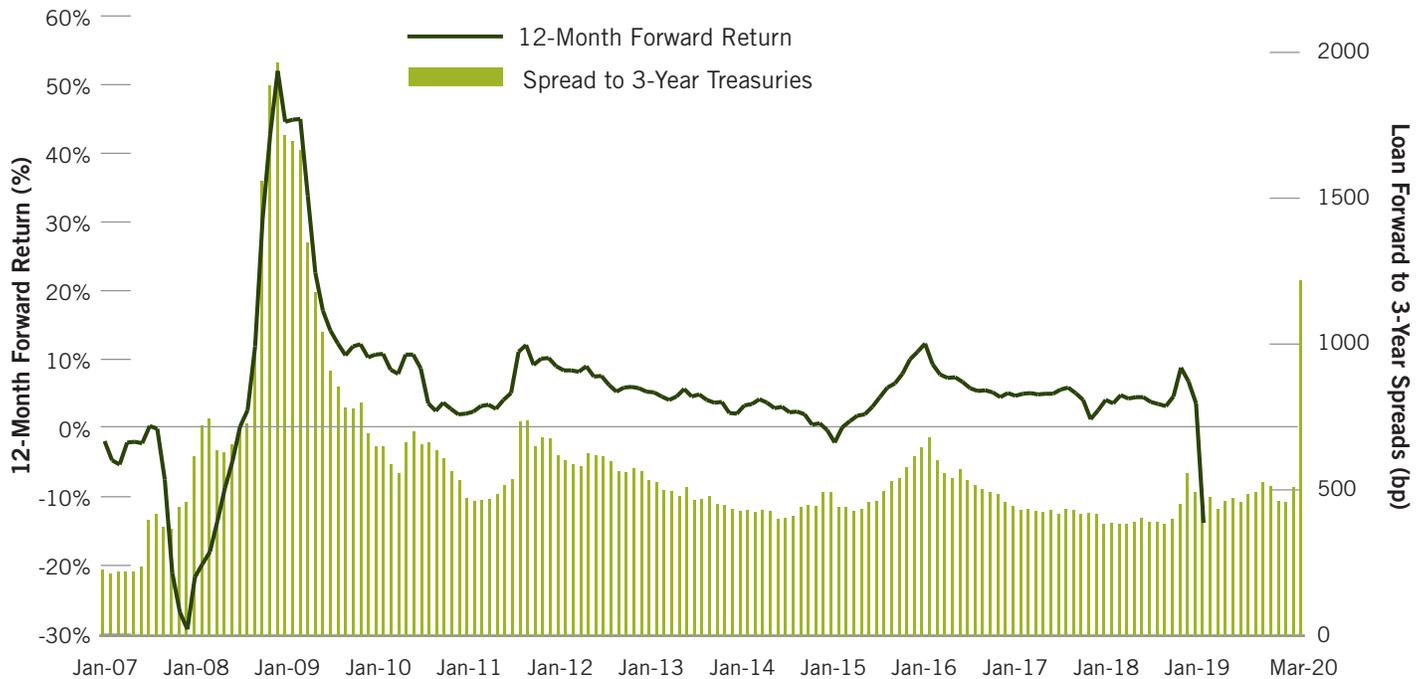


LEVERAGED LOANS HAVE HISTORICALLY PROVIDED ABOVE-AVERAGE RETURNS WHEN SPREADS CROSSED 600 BPS



Large drawdowns have historically led to higher future return potential for leveraged loans. Historically, spreads above 600 basis points (bps) have led to more attractive return opportunities for leveraged loan investors. The average 12-month return for leveraged loans when spreads are above 600 bps is 11.4%, while it is only 2.6% when spreads are below 600 bps.

Leveraged Loan Spreads vs. 12-Month Forward Return



Past performance is not indicative of future results. J.P. Morgan Leveraged Loan Index. Source: JPMorgan as of 3/12/20.

- Loan spreads to 3-Year Treasuries are 867 bps wider since 2/21/20, reaching 1,319 bps (as of 3/24/20), compared to past peaks of 693 bps (2/16/16), 777 bps (8/26/11), and 2,088 bps (12/17/08).
- If an investor bought leveraged loans in October 2008, as spreads crossed 1,000 bps, the annualized return over 12 and 24 months was 30.3% and 20.7%, respectively.
- In all nine examples where spreads closed above 1,000 bps during the financial crisis, returns were positive over the next 12 months, by an average of 36.8%.
- If an investor bought leveraged loans as spreads approached 700 bps in June 2010, August 2011, and February 2016, the total return for the next 12 months was 12.08%, 10.92%, and 10.49%, respectively.
- By comparison, the annualized return since inception of the J.P. Morgan Leveraged Loan Index is 4.66%.¹

(continued)

¹Index inception date is 1/31/2007. Data is as of 2/28/20. Performance shown is not indicative of any Virtus product.



To learn more about Virtus' suite of leveraged loan offerings, please contact us at 800-243-4361 or visit virtus.com

VIRTUS NEWFLEET SENIOR FLOATING RATE FUND

Class A: PSFIX Class C: PFSRX Class I: PSFIX Class R6: VRSFX

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND

Class A: SFRAX Class C: SFRXC Class I: SAMBX Class R6: SFRZX

VIRTUS SEIX SENIOR LOAN ETF

Ticker: SEIX

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. **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 can carry significant credit and call risk, can be difficult to value, and have longer settlement times than other investments, which can make loans relatively illiquid at times. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, 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. **Liquidity:** Certain securities may be difficult to sell at a time and price beneficial to the fund. **Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded. **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. **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. **Market Price/NAV:** At the time of purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss. **Prospectus:** For additional information on risks, please see the fund's prospectus.

The **J.P. Morgan Leveraged Loan Index** is designed to mirror the investable universe of U.S. dollar institutional leveraged loans, including U.S. and international borrowers. 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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