

INVESTMENT OVERVIEW

The Fund seeks to generate total return consisting of high current income and capital appreciation by building a diversified portfolio of preferred securities.

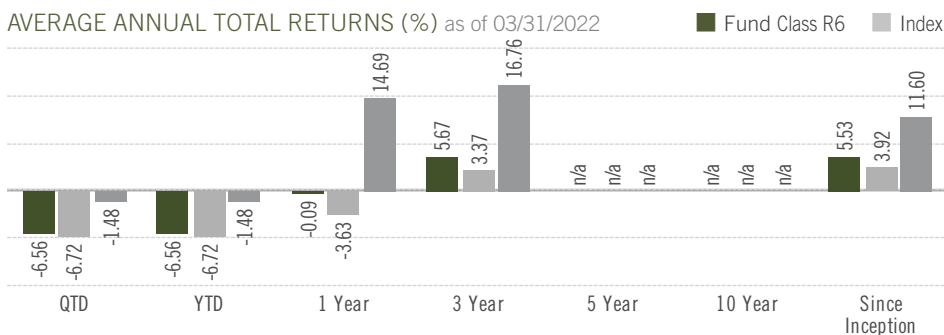
KEY FEATURES

High-Quality Focus — Strives to provide a high level of income with a bias toward investing in higher-quality companies

Attractive Yield Potential — While offering similar yields to high yield bonds, preferred securities historically have had higher ratings and stronger underlying issuers

Tax-Advantaged Income Potential — Many preferred securities pay qualified dividend income (QDI); QDI is taxed at the same rate as long-term capital gains, which are lower than rates for ordinary income

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2022



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.

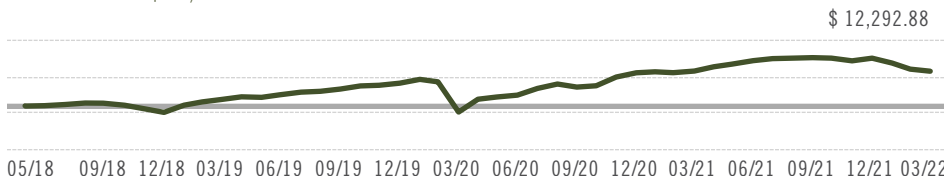
The fund class gross expense ratio is 0.91%. The net expense ratio is 0.50%, which reflects a contractual expense reimbursement in effect through 2/1/2023.

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.

ANNUAL PERFORMANCE (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund	7.94	5.97	20.21	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Index 1	2.24	6.95	17.71	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Index 2	35.04	-1.69	32.13	n/a	n/a	n/a	n/a	n/a	n/a	n/a

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 5/30/2018. As of 3/31/2022 the fund value would have been \$12,292.88. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
Institutional Shares	APEIX	92838V619
P Shares	APUPX	92838V593
R6 Shares	ARISX	92838V585

Inception Date	05/30/18
AUM (\$ millions)	38.1
Number of Holdings	71
Dividends	Monthly
Morningstar Category	Preferred Stock
Lipper Category	Flexible Income Funds
Index 1	ICE BofA Fixed Rate Preferred Securities Index
Index 2	S&P 500 Financials Index

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★★	63
3 Year	★★★★★	63
5 Year	Not Rated	n/a
10 Year	Not Rated	n/a

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



At Allianz Global Investors, active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs.

Active is: Allianz Global Investors

PORTFOLIO MANAGERS

Carl W. Pappo, Jr., CFA

Industry start date: 1993
 Start date as Fund Portfolio Manager: 2018

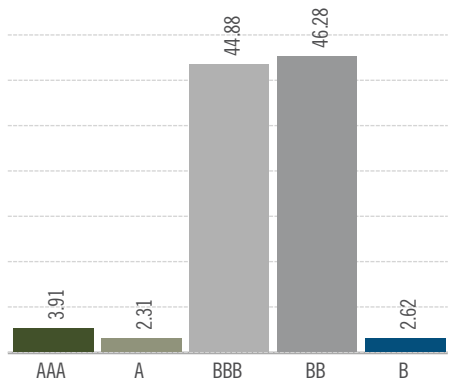
Willow Piersol, CFA

Industry start date: 1998
 Start date as Fund Portfolio Manager: 2018



The Fund (R6): Best Fund over 3 years among Flexible Income Funds

RATINGS DISTRIBUTION



CHARACTERISTICS

Characteristic	Fund
30-day SEC Yield ¹	4.57
30-day SEC Yield (unsubsidized) ²	4.19

¹ 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.
² 30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.

TOP TEN HOLDINGS

Company	% Fund
MetLife Inc, 10.7500% 08/01/2039	6.34
Delta Air Lines Inc, 7.0000% 05/01/2025	4.80
JPMorgan Chase & Co, 6.7500% 08/01/2170	3.56
SVB Financial Group, 4.7000% 02/15/2171	2.96
Athene Holding Ltd	2.92
Citigroup Inc, 5.9500% 11/15/2170	2.61
Edison International, 5.0000% 03/15/2171	2.60
Lloyds Banking Group PLC, 7.5000% 12/27/2170	2.51
AT&T Inc Depository Shs Repr 1/1000th 4.75	2.45
% Red Perp Pfd Shs Series C	2.45
Walt Disney Co/The, 7.3000% 04/30/2028	2.30

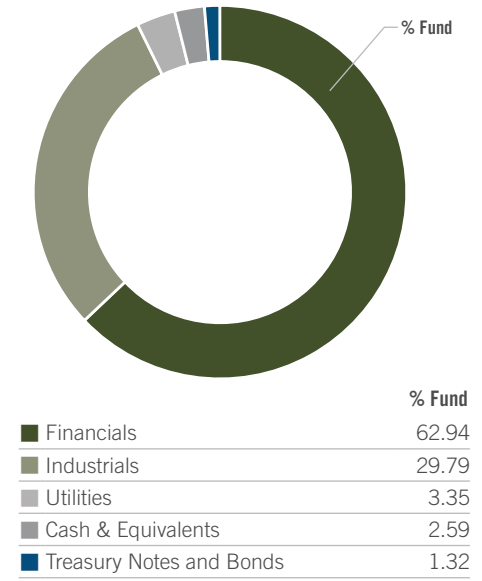
DISTRIBUTIONS

Month	NAV at Month-End
January 2022	\$0.080000 15.02
February 2022	\$0.060000 14.49
March 2022	\$0.060000 14.27

RISK STATISTICS (3 YEAR)

Statistic	Fund	Index 1
Alpha	1.34	n/a
Beta	1.51	1.00
R ²	0.81	1.00
Sharpe Ratio	0.39	0.34
Standard Deviation	12.69	7.58

SECTOR ALLOCATIONS



Holdings and sector weightings are subject to change.

IMPORTANT RISK CONSIDERATIONS

Market Volatility: The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. 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 portfolio and its investments, including hampering the ability of the portfolio's manager(s) to invest the portfolio's assets as intended. **Issuer Risk:** The portfolio will be affected by factors specific to the issuers of securities and other instruments in which the portfolio invests, including actual or perceived changes in the financial condition or business prospects of such issuers. **Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid. Debt Instruments: Debt instruments are subject to greater levels of credit and liquidity risk, may be speculative and may decline in value due to changes in interest rates or an issuer's or counterparty's deterioration or default. **Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **Contingent Convertible Securities:** Contingent convertible securities ("CoCos") are subject to greater levels of credit and liquidity risk than fixed income securities generally. They may rank junior to other creditors in the event of a liquidation or other bankruptcy-related event and become further subordinated as a result of conversion from debt to equity. **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. **Liquidity:** Certain instruments may be difficult or impossible to sell at a time and price beneficial to the portfolio. **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. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. **Variable Distribution Risk:** Periodic distributions by investments of variable or floating interest rates vary with fluctuations in market interest rates. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **R²:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **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.

INDEX DEFINITION

Index 1: The ICE BofA Fixed Rate Preferred Securities Index tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic 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 is not available for direct investment.
Index 2: The S&P 500 Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS financials sector. 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 is not available for direct investment.

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RATINGS DISTRIBUTION METHODOLOGY

Credit ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of the issuers of the underlying securities and not to the Fund or its shares. Ratings are measured using a scale that ranges from AAA (highest) to NR (not rated). Not rated securities do not necessarily indicate low quality. The security's credit rating does not eliminate risk and credit ratings are subject to change. Credit Quality reflects the middle rating of Standard & Poor's (S&P), Fitch and Moody's. If there are only two ratings available, the lower rating of the two will be used. Only one rating will be utilized if only one is available. Ratings are then adjusted to the S&P rating tiers shown.

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 effect of sales charges and loads.

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U.S. local classifications are used in the United States, rather than Lipper Global Classifications. Institutional funds are included in the universe of eligible funds. Since Lipper Leader scores are not calculated for money market funds, these categories are excluded from all fund award calculations. Additionally, S&P 500® Index funds, S&P Midcap 400 Index funds, equity leverage funds, specialty diversified equity funds, specialty fixed income funds, specialty/miscellaneous funds, other states' single state municipal debt funds, other states' intermediate municipal debt funds, and other states' short/intermediate municipal debt funds are not eligible to receive classification awards. Only one share class (the one with the best Lipper Leader score) is used for each portfolio in determining asset class and overall awards. Some funds may be excluded from award contention if, in the opinion of Refinitiv Lipper's Research staff, the portfolio has undergone too many classification changes or changed classifications recently. The calculation periods are through the end of November of the respective evaluation year.

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