

INVESTMENT OVERVIEW

The Fund seeks a high level of current income with lower volatility than the broader high yield market by investing in short-term, below-investment-grade bonds.

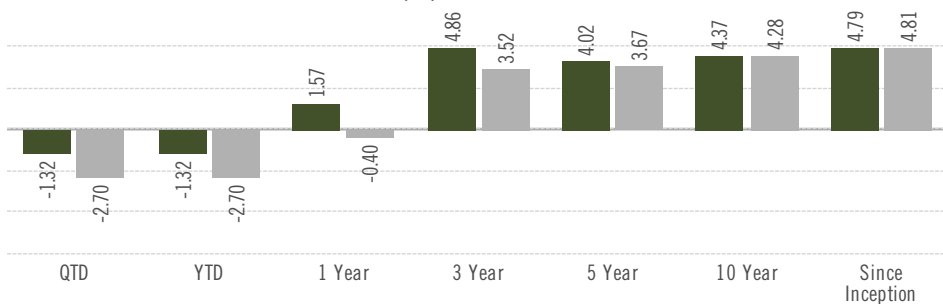
KEY FEATURES

Higher Quality High Yield and Shorter Duration — Seeks to manage interest-rate risk and minimize volatility by investing in higher-quality high yield bonds with a duration of less than three years

Rigorous Credit Research — Employs industry and bottom-up, fundamental research to help build a portfolio of below-investment grade issuers that demonstrate improving fundamentals

Experienced Credit Management Team — Dedicated team of short-duration high yield bond managers who have a strong history of achieving attractive risk-adjusted returns

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.

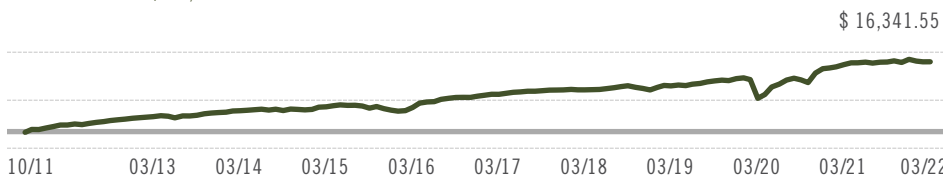
The fund class gross expense ratio is 0.74%. The net expense ratio is 0.60%, which reflects a contractual expense reimbursement in effect through 2/1/2023.

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	5.35	6.02	7.36	-0.02	4.26	10.48	-0.23	2.04	4.56	8.44
Index	3.24	5.44	8.69	1.34	3.64	8.46	1.20	1.92	5.58	10.22

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/3/2011. As of 3/31/2022 the fund value would have been \$16,341.55. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

FUND INFORMATION

	Ticker	CUSIP
A Shares	ASHAX	92838V544
C Shares	ASHCX	92838V536
Institutional Shares	ASHIX	92838V510
P Shares	ASHPX	92838V528
R6 Shares	ASHSX	92838V643

Inception Date	10/03/11
AUM (\$ millions)	738.8
Number of Holdings	109
Dividends	Monthly
Morningstar Category	High Yield Bond
Lipper Category	Short High Yield Funds
Index	ICE BofA 1-3Y BB US Cash Pay High Yield Index

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★	633
3 Year	★★★★★	633
5 Year	★★★★	567
10 Year	★★★	375

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

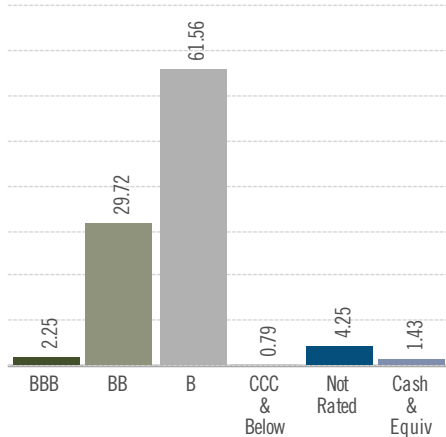
PORTFOLIO MANAGERS

Justin M. Kass, CFA
 Industry start date: 1998
 Start date as Fund Portfolio Manager: 2022

James Dudnick, CFA
 Industry start date: 2000
 Start date as Fund Portfolio Manager: 2014

Steven Gish, CFA
 Industry start date: 1995
 Start date as Fund Portfolio Manager: 2014

RATINGS DISTRIBUTION % Fund



CHARACTERISTICS

Characteristic	Fund
Average Years to Maturity	4.00
Weighted Average Duration to Worst ¹	2.45
30-day SEC Yield ²	6.03
30-day SEC Yield (unsubsidized) ³	5.88

¹ Duration to Worst is the sensitivity of the price of a bond to a 1% change in interest rates, assuming the worst case scenario, which is if the bond is called at its earliest possible date. Weighted Average Duration to Worst calculates a weighted average from each portfolio position's duration to worst.

² 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

³ 30-day SEC Yield (unsubsidized) is the 30 day SEC yield without the effect of applicable expense waivers.

TOP TEN HOLDINGS % Fund

PBF Holding Co LLC / PBF Finance Corp, 7.2500% 06/15/2025	2.95
Artera Services LLC, 9.0330% 12/04/2025	2.85
Millennium Escrow Corp, 6.6250% 08/01/2026	2.76
CVR Energy Inc, 5.2500% 02/15/2025	2.62
Bread Financial Holdings Inc, 4.7500% 12/15/2024	2.53
Connect Finco SARRL / Connect US Finco LLC, 6.7500% 10/01/2026	2.53
New Fortress Energy Inc, 6.7500% 09/15/2025	2.41
DISH DBS Corp, 5.2500% 12/01/2026	2.35
Prairie ECI Acquiror LP, , 03/11/2026	2.27
Shift4 Payments LLC / Shift4 Payments Finance Sub Inc, 4.6250% 11/01/2026	2.14

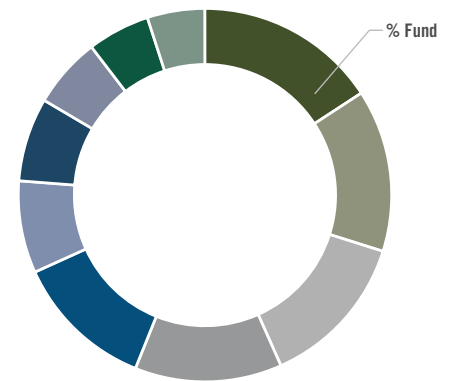
DISTRIBUTIONS

Month	NAV at Month-End
January 2022	\$0.063078 14.25
February 2022	\$0.062891 14.13
March 2022	\$0.063138 14.07

RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	0.16	n/a
Beta	1.48	1.00
R ²	0.85	1.00
Sharpe Ratio	0.47	0.51
Standard Deviation	8.71	5.41

SECTOR ALLOCATIONS % Fund



Sector	% Fund
Investments & Misc Financial Services	10.09
Support-Services	8.98
Gas Distribution	8.59
Oil Refining & Marketing	8.14
Cons/Comm/Lease Financing	7.76
Cable & Satellite TV	5.10
Real Estate Dev & Mgt	4.63
Health Services	3.90
Telecom - Satellite	3.46
P&C	3.18

Holdings and sector weightings are subject to change.

IMPORTANT RISK CONSIDERATIONS

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. **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. **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. **Interest Rate:** The values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities. **Credit Risk:** If the issuer of a debt instrument fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline. **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: The ICE BofA 1-3 Year BB US Cash Pay High Yield Index is a subset of the ICE BofA US Cash Pay High Yield Index including all securities with a remaining term to final maturity less than 3 years and rated BB1 through BB3, inclusive. The ICE BofA US Cash Pay High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly 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.

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.

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.

© 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Lipper Category Classifications © 2022 Lipper. All rights reserved.

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

Mutual funds distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.