

INVESTMENT OVERVIEW

The Fund invests in floating rate leveraged loans and seeks to generate an attractive spread above LIBOR. A sound, transparent, and repeatable investment process leverages competitive advantages and aims to capture upside potential while limiting downside risk through rigorous fundamental analysis and a strict sell discipline.

KEY FEATURES

Diversification — Provides exposure to floating rate debt, which offers low correlations to other fixed income asset classes and has the potential to provide relatively high income

A Potential Hedge Against Rising Rates — Periodic coupon resets may help floating rate debt protect against interest rate risk and principal value fluctuations in rising interest rate periods

Higher Quality Loans — Emphasizes BB- and B-rated loans; seeks to invest in what are believed to be the healthiest and most undervalued credits in the non-investment grade space, identified through extensive bottom-up fundamental credit research

SHARE CLASSES	Ticker	CUSIP
I Shares	SAMBX	92837F763
A Shares	SFRAX	92837F789
C Shares	SFRGX	92837F771
R6 Shares	SFRZX	92837F755

FUND INFORMATION

Inception Date (Class I)	03/01/06
AUM (\$ millions)	1,466.4
Number of Holdings	309
Dividends	Daily
Morningstar Category	Bank Loan
Index	Credit Suisse Leveraged Loan Index

The Index shown represents the Fund's performance index, which may differ from the Fund's regulatory index included in the Fund's Prospectus.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2024

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Class I	1.93	1.93	11.04	5.28	4.19	3.84	4.24
Class A NAV	1.72	1.72	10.55	4.95	3.84	3.50	3.94
Class A POP	-1.08	-1.08	7.51	3.98	3.26	3.21	3.78
Class R6	1.83	1.83	11.01	5.39	4.30	n/a	4.29
Index	2.52	2.52	12.40	5.82	5.30	4.56	4.69

ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Class I	12.00	-0.89	5.47	0.38	6.63	0.22	3.87	11.14	-1.17	0.81
Index	13.04	-1.06	5.40	2.78	8.17	1.14	4.25	9.88	-0.38	2.06

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.

Class I Shares have no sales charges and are not available to all investors. The fund class gross expense ratio is 0.72%. The net expense ratio is 0.62%, which reflects a contractual expense reimbursement in effect through 4/30/2025.

Class A shares have a maximum sales charge of 2.75%. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid. The fund class gross expense ratio is 0.94%.

Class R6 Shares have no sales charges and are not available to all investors. The fund class gross expense ratio is 0.60%. The net expense ratio is 0.52%, which reflects a contractual expense reimbursement in effect through 4/30/2025.

Other share classes may have sales charges. See virtus.com for details.

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.

Index: The Credit Suisse Leveraged Loan Index is a market-weighted index that tracks the investable universe of the U.S. dollar denominated leveraged loans. 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.

Since inception performance for the index reflects a start date of 2/28/2006. Class I inception date: 3/1/2006. Class A inception date: 5/8/2006. Class R6 inception date: 1/30/2015.

MORNINGSTAR RATINGS (CLASS I)

Time Period	# of Stars	# of Funds
Overall	★★★★	214
3 Year	★★★★	214
5 Year	★★★	206
10 Year	★★★★	169

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

INVESTMENT ADVISER

Virtus Fund Advisers, LLC

INVESTMENT SUBADVISER



Seix Investment Advisors is an investment management boutique focused exclusively on managing fixed income securities since 1992. Seix seeks to generate competitive absolute and relative risk-adjusted returns over the full market cycle through a bottom-up focused, top-down aware process. Seix employs multi-dimensional approaches based on strict portfolio construction methodology, sell disciplines and trading strategies with prudent risk management as a cornerstone.

Seix Investment Advisors is a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser.

PORTFOLIO MANAGERS

George Goudelias

Industry start date: 1987

Start date as Fund Portfolio Manager: 2006

Vincent Flanagan

Industry start date: 1997

Start date as Fund Portfolio Manager: 2011

Eric Guevara

Industry start date: 2000

Start date as Fund Portfolio Manager: 2019

RATINGS DISTRIBUTION	% Fund
BBB	2.35
BB	24.19
B	59.49
CCC	7.91
Below CCC	0.72
NR	3.24
Cash & Equivalents	2.11

FIXED CHARACTERISTICS	Fund
Effective Duration	0.19
Weighted Average Maturity	3.23
30-day SEC Yield	8.90
30-day SEC Yield (unsubsidized)	8.79

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

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

TOP TEN HOLDINGS	% Fund
Numericable U.S. LLC (Usd) B14 Term Loan, 08/15/2028	1.46
Cloud Software Group Inc Term A Loan, 09/29/2028	1.39
Altice Financing SA 2022 Dollar Loan, 10/29/2027	1.34
American Airlines Inc Initial Term Loan, 04/20/2028	1.30
Zacapa Sarl Initial Term Loans 2022, 03/22/2029	1.20
Asurion LLC New B11 Term Loan, 08/19/2028	1.08
Ultra Clean Holdings Inc Second Amendment Term B Loan, 08/27/2025	1.02
Peraton Corp First Lien Term B Loan, 02/01/2028	0.90
Organon & Co Senior Secured Dollar Term Loan, 06/02/2028	0.87
Mileage Plus Holdings, LLC Initial Term Loan, 06/21/2027	0.85

INCOME DISTRIBUTIONS

Month	NAV at Month-End	
January 2024	\$0.061927	7.92
February 2024	\$0.057006	7.92
March 2024	\$0.062738	7.89

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	-0.61	n/a
Beta	1.04	1.00
R ²	0.97	1.00
Sharpe Ratio	0.67	0.85
Standard Deviation	3.84	3.65

SECTOR ALLOCATIONS	% Fund
Financial	9.57
Information Technology	9.53
Telecom Ex Wireless	8.38
Aerospace/Defense/Airlines	7.91
Services/Environmental/Other	7.43
Healthcare	6.87
Chemicals	5.77
Energy	5.58
Gaming/Leisure	5.23
Cable	4.15
Housing/Building Materials	3.96
Diversified Media	3.90
Utilities	3.54
Manufacturing/Capital Goods	2.45
Forest Products/Containers	2.34
Retail	2.16
Cash & Equivalents	2.11
Metals/Minerals	1.72
Broadcasting	1.68
Food/Drug/Restaurants	1.66
Wireless	1.66
Transportation	1.58
Consumer Products/Textiles	0.84

Holdings and sector weightings are subject to change.

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. **Bank Loans:** Bank loans may be unsecured or not fully collateralized, may be subject to restrictions on resale, may be less liquid and may trade infrequently on the secondary market. Bank loans settle on a delayed basis; thus, sale proceeds may not be available to meet redemptions for a substantial period of time after the sale of the loan. **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. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended. **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. **U.S. Government Securities:** U.S. government securities may be subject to price fluctuations. An agency may default on an obligation not backed by the United States. Any guarantee on U.S. government securities does not apply to the value of the portfolio's shares. **Prospectus:** For additional information on risks, please see the fund's prospectus.

GLOSSARY

Effective Duration: The change in the value of a fixed income security that will result from a 1% change in interest rates while taking into account the way changes in rates will affect the expected cash flows of any bond with an embedded option such as call or prepayment option. This measure assigns a probability to the exercise of a call option, where applicable, based on specified shifts in the yield curve. Duration is expressed as a number of years, and generally, the larger the duration, the greater the interest rate risk or reward for a portfolio's underlying bond prices. **Weighted Average Maturity:** The length of time until the average security in a fund will mature, be redeemed by its issuer, or paid down over time, which is the case with most securitized assets. **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.

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 FDIC Insured | May Lose Value | Not Bank Guaranteed

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

1193 04-24 © 2024 Virtus Mutual Funds

RATINGS DISTRIBUTION METHODOLOGY

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation's or government's debt issues. The ratings apply to the fund's holdings and not the fund. Standard & Poor's and Moody's ratings are used for all ratings-eligible securities. If ratings are available from both agencies, then the lower of the two ratings is used. If a rating is available from only one agency, then that rating will be used. If a rating is not available for a ratings-eligible security, the security is placed in the Not Rated Category. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C, and D are below-investment grade ratings.

MORNINGSTAR

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.

© 2024 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.

