

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.

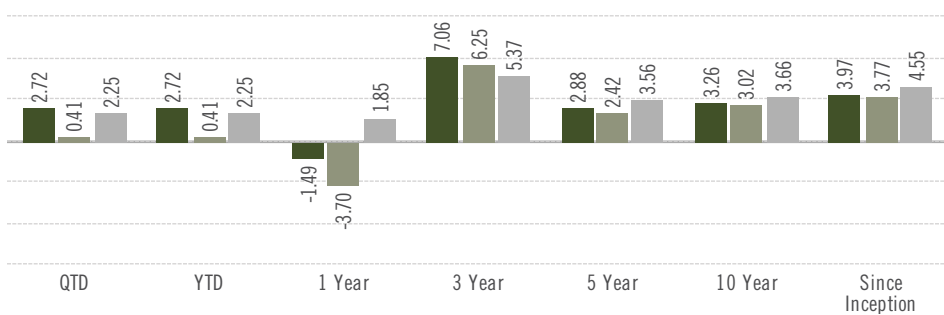
KEY FEATURES

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

Extensive Fundamental Research — Security selection driven by relative value analysis of individual bond quality, credit risk, valuation, company management, structure, and technical elements

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

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2023



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 A shares have a maximum sales charge of 2.25%. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 12 months on purchases on which a finder's fee has been paid.

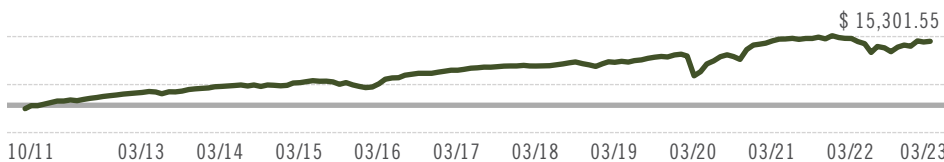
The fund class gross expense ratio is 0.98%. The net expense ratio is 0.86%, which reflects a contractual expense reimbursement in effect through 2/1/2024.

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 (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-5.48	5.12	5.72	7.10	-0.28	3.99	10.08	-0.45	1.83	4.28
Index	-3.07	3.24	5.44	8.69	1.34	3.64	8.46	1.20	1.92	5.58

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/3/2011. As of 3/31/2023 the fund value would have been \$15,301.55. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 2.25%.

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)	553.2
Number of Holdings	110
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	★★★★★	617
3 Year	★★★★★	617
5 Year	★★★★★	575
10 Year	★★★	411

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



Newfleet Asset Management leverages the knowledge and skill of a team of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction.

Newfleet Asset Management is a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser.

PORTFOLIO MANAGERS

David L. Albrycht, CFA
Industry start date: 1985
Start date as Fund Portfolio Manager: 2022

William Eastwood, CFA
Industry start date: 1995
Start date as Fund Portfolio Manager: 2022

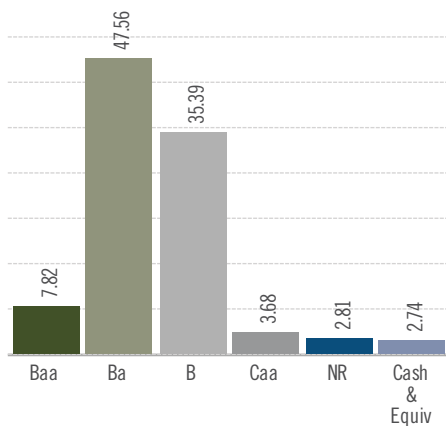
Eric Hess, CFA
Industry start date: 2006
Start date as Fund Portfolio Manager: 2022

Kyle A. Jennings, CFA
Industry start date: 1992
Start date as Fund Portfolio Manager: 2022

Francesco Ossino
Industry start date: 1996
Start date as Fund Portfolio Manager: 2022

Effective July 25, 2022, this Fund's name and subadviser have changed.

RATINGS DISTRIBUTION

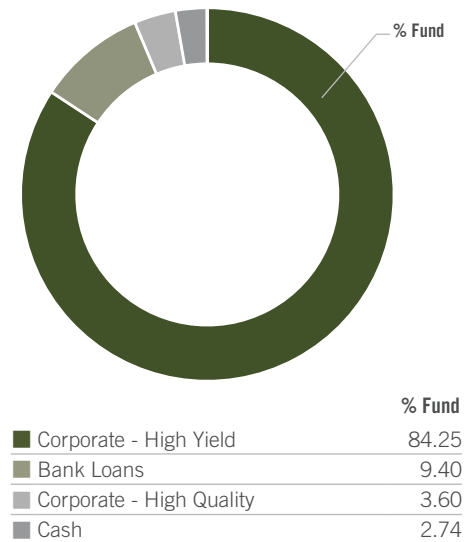


% Fund

TOP TEN HOLDINGS

TOP TEN HOLDINGS	% Fund
CVR Energy Inc, 5.2500% 02/15/2025	2.53
PBF Holding Co LLC / PBF Finance Corp, 7.2500% 06/15/2025	2.51
LSB Industries Inc, 6.2500% 10/15/2028	2.37
Millennium Escrow Corp, 6.6250% 08/01/2026	2.29
Bread Financial Holdings Inc, 4.7500% 12/15/2024	2.26
Shift4 Payments LLC / Shift4 Payments Finance Sub Inc, 4.6250% 11/01/2026	2.25
Connect Finco SARM / Connect US Finco LLC, 6.7500% 10/01/2026	1.98
Uber Technologies Inc, 8.0000% 11/01/2026	1.94
Directv Financing LLC / Directv Financing Co-Obligor Inc, 5.8750% 08/15/2027	1.84
Sunnova Energy Corp, 5.8750% 09/01/2026	1.81

SECTOR ALLOCATIONS



Holdings and sector weightings are subject to change.

CHARACTERISTICS

CHARACTERISTICS	Fund
Effective Duration	1.85
Weighted Average Maturity	2.81
30-day SEC Yield ¹	8.39
30-day SEC Yield (unsubsidized) ²	8.26

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.

INCOME DISTRIBUTIONS

Month	NAV at Month-End	NAV at Month-End
January 2023	\$0.061000	13.33
February 2023	\$0.061000	13.19
March 2023	\$0.061000	13.18

RISK STATISTICS (3 YEAR)

RISK STATISTICS (3 YEAR)	Fund	Index
Alpha	0.54	n/a
Beta	1.27	1.00
R ²	0.76	1.00
Sharpe Ratio	0.88	0.93
Standard Deviation	6.94	4.75

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. Local, regional, or global events such as war, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its 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

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.

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

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. Ratings are provided by Standard & Poor's, Moody's, and Fitch. For certain securities that are not rated by any of these three agencies, credit ratings from other agencies may be used. Where the rating agencies rate a security differently, Newfleet uses the higher rating. If a rating is not available, the bond is placed in the Not Rated category. Credit ratings are subject to change. Aaa, Aa, A, and Baa are investment grade ratings; Ba, B, Caa, Ca, C, and D are below-investment grade ratings.

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.

© 2023 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 © 2023 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.