

**INVESTMENT OPPORTUNITY**

The Fund seeks to outperform the S&P 500® Index with lower downside risk over a complete market cycle. It objectively allocates and rebalances in up to nine low-correlated asset classes, guided by a mathematical model that incorporates 15 economic and capital market factors.

**Key Features:**

- › **A Post-MPT Approach:** Applies a proprietary “Post-Modern Portfolio Theory” investment model that seeks to enhance how the principles of MPT are applied in practice
- › **Optimized Risk/Reward:** A quantitative investment strategy actively allocates across basic materials, bonds, energy, financials, gold, healthcare, real estate, technology, and utilities to deliver a superior risk-adjusted return profile
- › **Seeks to Mitigate Drawdowns:** Considers only downside (negative returns) rather than standard deviation as the measure of portfolio risk

**INVESTMENT PROCESS**

The Fund’s investment process relies upon a proprietary, rules-based system developed by iSectors over a decade ago. The investment process enhances the application of MPT’s asset allocation principles by:

- › Allocating among nine “primary sectors”
- › Rebalancing monthly, based on changes in 15 economic and capital market factors
- › Exclusively utilizing exchange traded funds for sector exposure
- › Considering only downside (negative returns) rather than standard deviation as the measure of portfolio risk

**FUND INFORMATION**

<b>NAV symbol</b>	PMPT.NV
<b>IOPV symbol</b>	PMPT.IV
<b>CUSIP</b>	26923G855
<b>Inception Date</b>	8/16/2016
<b>Gross Expense Ratio</b>	1.12%
<b>Net Expense Ratio*</b>	0.92%
<b>Adviser</b>	Virtus ETF Advisers LLC
<b>Distributor</b>	ETF Distributors, LLC
<b>Subadviser</b>	iSectors®, LLC

IOPV, or Indicative Optimized Portfolio Value, is a calculation disseminated by the stock exchange that approximates the Fund’s NAV every fifteen seconds throughout the trading day.

\*Includes acquired fund fees of 0.17%

Net expense ratio reflects a contractual expense reimbursement in effect until 2/28/2019.

**FUND MANAGEMENT**

iSectors, LLC is an investment strategist firm based in Appleton, WI. An affiliate of investment advisor Sumnicht & Associates LLC, iSectors provides advisors a suite of ETF-based asset allocation models.

**PORTFOLIO MANAGERS**

**Vernon C. Sumnicht, CFP®**  
Chief Executive Officer, Portfolio Manager

**Charles (Chuck) Self, CFA**  
Chief Investment Officer, Portfolio Manager

**David Hackney, CPA, CFA**  
Portfolio Manager

## Performance—Total Returns in % as of 12/31/17

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception (8/16/16)
NAV	5.27	13.85	13.85	n/a	n/a	n/a	7.86
Market Price	5.34	13.86	13.86	n/a	n/a	n/a	7.90
Index	6.64	21.83	21.83	n/a	n/a	n/a	18.53

Performance data quoted represents past results. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quoted. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Please visit [www.virtus.com](http://www.virtus.com) for performance data current to the most recent month-end.

Gross Expense Ratio: 1.12%; Net Expense Ratio: 0.92%.

The Fund's investment subadviser, iSectors®, LLC has entered into an expense limitation agreement to limit the Fund's total operating expenses (excluding certain expenses, including acquired fund fees expenses, as described in the prospectus) so that such expenses do not exceed 0.75% of the Fund's average daily net assets through February 28, 2019.

The Fund is an exchange-traded fund ("ETF"). The "net asset value" (NAV) of the Fund is determined at the close of each business day, and represents the dollar value of one share of the Fund; it is calculated by taking the total assets of the Fund, subtracting total liabilities, and dividing by the total number of shares outstanding. The NAV of the Fund is not necessarily the same as its intraday trading value. Fund investors should not expect to buy or sell shares at NAV because shares of ETFs such as the Fund are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Thus, shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns. NAV returns are calculated using the Fund's daily 4:00 p.m. NAV, and include the reinvestment of all dividends and other distributions (reinvested at the Fund's NAV on distribution ex-date). Market price returns are calculated using the 4:00 pm midpoint between the bid and offer, and include the reinvestment of all dividends and other distributions (reinvested at the 4:00pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.

The fund's benchmark is the **S&P 500® Index**, which is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

The Fund is an actively managed exchange-traded fund and does not seek to replicate the performance of a specified index. The Fund may have a higher portfolio turnover than funds that seek to replicate the performance of an index.

Returns for periods of less than one year are cumulative total returns.

## TOP 10 HOLDINGS AS OF 12/31/17

Fidelity MSCI Information Technology Index ETF	23.2%
iShares 20+ Year Treasury Bond ETF	17.2
Vanguard Energy ETF	15.5
Vanguard Utilities ETF	14.9
Direxion Daily Financial Bull 3X Shares	12.3
ProShares Ultra Utilities	7.7
Vanguard REIT ETF	6.3
VanEck Vectors Gold Miners ETF	2.4
BlackRock Treasury Trust Instl. 62	0.6
Cash/Cash equivalents	-0.1

Holdings are subject to change. To view the full list of holdings, please visit [virtus.com](http://virtus.com).

## FUND RISKS

**Allocation:** The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

**Portfolio Turnover:** The fund's principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

**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.

**Leveraged ETFs:** The fund may invest in leveraged ETFs, which are generally non-diversified, and include the risks associated with use of derivatives, imperfect benchmark correlation, leverage, and market price variance, each of which can increase volatility and significantly decrease performance.

**Prospectus:** For additional information on risks, please see the fund's prospectus.

**Please consider the Fund's objectives, risks, charges, and expenses before investing. Contact us at 1.800.243.4361 or visit [www.virtus.com](http://www.virtus.com) for a prospectus, which contains this and other information about the Fund. Read the prospectus carefully before investing.**

Not FDIC insured	May lose value	Not bank guaranteed
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