

INVESTMENT OPPORTUNITY

The Fund seeks current income and, secondarily, capital appreciation, actively allocating opportunistically across a diversified portfolio of emerging market high yield debt securities, both sovereign and corporate.

KEY FEATURES

Alternative Liquid Income — Offers exposure to the higher growth and diversified economic cycles Emerging Markets provide while focusing on the highest yielding sovereign and corporate debt sectors denominated in US dollars.

Rigorous Fundamental Research and Active Risk Management — Intensive fundamental credit research within a top-down country macro analysis framework, along with a proprietary risk analytics platform that enables continuous monitoring of real-time portfolio risk in reaction to changing market conditions, underpins Stone Harbor's investment process.

Depth of Experience in EMD — Stone Harbor's demonstrated ability in managing emerging markets debt is rooted in teamwork with a 30-year history, a disciplined research and investment process, and the experience to make sound investment decisions.

INVESTMENT PROCESS

- 1 **Investment Policy** — Establish a medium- and long-term global investment outlook with base case and subsequent economic scenarios.
- 2 **Fundamental Analysis** — Combines fundamental credit research with country level macro analysis in a highly disciplined way to determine the ability and willingness of each issuer to repay its debt.
- 3 **Valuation Analysis** — Formulate base case of returns for country and corporate credits. Determine likely distribution of potential outcomes and identify securities that may generate excess returns.
- 4 **Risk Management** — Monitor movements/triggers for a formal review across changes in ratings, return, and beta sensitivity.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/2023

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	8.20	14.43	14.43	n/a	n/a	n/a	13.29
Market Price	8.37	14.35	14.35	n/a	n/a	n/a	13.37
Index	8.00	13.50	13.50	n/a	n/a	n/a	13.00

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

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.

The Total Expense Ratio represents the Fund's Total Annual Fund Operating Expenses, which includes the management fee and other expenses where applicable, except for certain payments that are paid directly by the Fund, as described in the Prospectus.

Index: The J.P. Morgan Hard Currency Credit 50-50 (EMBIG Diversified and CEMBI Broad Diversified) High Yield Index tracks liquid, US-dollar emerging market fixed and floating-rate debt instruments issued by corporate, sovereign, and quasi-sovereign entities. The index tracks instruments that are classified as high yield (HY) in the established J.P. Morgan EMBI Global Diversified and J.P. Morgan CEMBI Broad Diversified indices and combines them with an equal weight (50-50). 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.

	NYSE Arca
NAV Symbol	VEMY.NV
IOPV Symbol	VEMY.IV
CUSIP	92790A801
Inception Date	12/12/22
Total Expense Ratio	0.58%
30-day SEC Yield	7.93%
Adviser	Virtus ETF Advisers LLC
Distributor	VP Distributors, LLC
Subadviser	Stone Harbor Investment Partners
Index	J.P. Morgan Hard Currency Credit 50-50 High Yield Index

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

PORTFOLIO MANAGEMENT



Stone Harbor is a global credit specialist with expertise in emerging and developed markets debt, with three decades of informed experience allocating risk in complex areas of the fixed income markets. We manage credit portfolios for clients globally. Stone Harbor Investment Partners is a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser.

INVESTMENT PROFESSIONALS

James E. Craige, CFA

Co-Chief Investment Officer,
Head of Emerging Markets
Industry start date: 1988
Start date as Fund Portfolio Manager: 2022

Richard Lange

Portfolio Manager, Emerging Markets
Corporate Debt
Industry start date: 2002
Start date as Fund Portfolio Manager: 2022

Stuart Sclater-Booth

Portfolio Manager, Emerging Markets Debt,
Global Sovereign, and Asset Allocation
Industry start date: 1992
Start date as Fund Portfolio Manager: 2022

Darin Batchman

Portfolio Manager, Emerging Markets
Corporate Debt
Industry start date: 1997
Start date as Fund Portfolio Manager: 2022

RATINGS DISTRIBUTION		% Fund	TOP TEN HOLDINGS		% Fund	INDUSTRY ALLOCATIONS		% Fund
AAA		-0.45	Brazilian Government International Bond, 6.0000% 10/20/2033		2.95	E&P		17.72
AA		0.00	Nigeria Government International Bond, 6.1250% 09/28/2028		2.54	Gaming		5.37
A		0.00	Oman Government International Bond, 7.3750% 10/28/2032		2.19	Financial/Lease		5.12
BBB		10.90	Kosmos Energy Ltd , 7.1250% 04/04/2026		2.06	Wireless		4.95
BB		41.60	Network i2i Ltd, 5.6500% 04/15/2172		2.04	Electric		4.94
B		36.28	Banco Mercantil De Norte , 6.7500% 01/08/2074		1.94	Midstream		1.69
CCC & Below		10.26	Sasol Financing USA LLC, 6.5000% 09/27/2028		1.93	Media Cable		1.44
Not Rated		1.41	Republic of South Africa Government International Bond, 5.8750% 04/20/2032		1.90	Metals/Mining/Steel		0.30
			Minerva Luxembourg SA , 4.3750% 03/18/2031		1.87			
			Pakistan Government International Bond, 6.0000% 04/08/2026		1.84			
			Holdings and sector weightings are subject to change. To view the full list of holdings, please visit virtus.com .					
CHARACTERISTICS		Fund	SECTOR ALLOCATIONS		% Fund			
Effective Duration		4.27	Sovereign Hard Currency		61.26			
Weighted Average Life		6.43	Corporate Hard Currency		39.20			
			Net Cash		-0.45			
REGIONAL ALLOCATION		% Fund	INCOME DISTRIBUTIONS					
Latin America		42.03	Month		NAV at Month-End			
Africa		24.47	October 2023	\$0.185000	23.99			
Asia		13.20	November 2023	\$0.150000	25.00			
Europe		12.22	December 2023	\$0.231010	25.78			
Middle East		8.53						
Net Cash		-0.45						

IMPORTANT RISK CONSIDERATIONS

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 to the portfolio of owning shares of an ETF may exceed the cost of investing directly in the underlying securities. **Emerging Markets Investing:** Emerging markets securities may be more volatile, or more greatly affected by negative conditions, than those of their counterparts in more established foreign markets. Such securities may also be subject to Sanctions Risk. **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. **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. **Income:** Income received from the portfolio may vary widely over the short- and long-term and/or be less than anticipated if the proceeds from maturing securities in the portfolio are reinvested in lower-yielding securities. **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. **Market Price/NAV:** At the time of purchase and/or sale, an investor's shares may have a market price that is above or below the fund's NAV, which may increase the investor's risk of loss. **Currency Rate:** Fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of the portfolio's shares. **Counterparty:** There is risk that a party upon whom the portfolio relies to complete a transaction will default. **Non-Diversified:** The portfolio is not diversified and may be more susceptible to factors negatively impacting its holdings to the extent the portfolio invests more of its assets in the securities of fewer issuers than would a diversified portfolio. **Liquidity:** Certain instruments may be difficult or impossible to sell at a time and price beneficial to the portfolio, which could impact the ability to meet redemption requests upon demand. **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. **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. **30-day SEC Yield** is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

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. In determining the average credit quality of a security, Stone Harbor uses the following hierarchy: S&P; if S&P is unavailable, Moody's; if Moody's is unavailable, Fitch. If no rating is available, Stone Harbor applies its internal rating methodology to assign a rating. A security that has not been assigned a credit rating through Stone Harbor's methodology is listed as 'not rated'. Ratings have been converted to the equivalent S&P rating category. Cash and currency forwards generally are assigned the AAA rating. 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.

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.

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 pm 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 4:00 pm 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 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.

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 representative, call 800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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