

INVESTMENT OPPORTUNITY

The Fund seeks investment results that correspond, before fees and expenses, to the price and yield performance of the LifeSci Biotechnology Products Index, which tracks the performance of biotechnology companies with at least one drug therapy approved by the FDA.

KEY FEATURES

High Growth Potential — One of the most dynamic stock sectors, covering companies that design drugs, from entrepreneurial start-ups to global giants

Pure, Targeted Exposure — Passively invests solely in firms that have completed multiple human clinical trials and received FDA approval to sell and market a drug

Equally Weighted — Equal stock weightings, rebalanced semi-annually, help ensure even relatively small firms with impressive performance can have a meaningful impact on returns

TOTAL RETURN PERFORMANCE (%) as of 12/31/18

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception (12/16/14)
NAV	-22.97	-13.80	-13.80	4.35	n/a	n/a	9.01
Market Price	-23.02	-13.70	-13.70	4.35	n/a	n/a	9.01
Benchmark	-22.87	-13.15	-13.15	5.23	n/a	n/a	9.90

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

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 for performance data current to the most recent month-end.

The gross expense ratio represents the Fund's management fee, which is structured as a "unified fee," out of which the Fund's adviser pays all routine expenses, except for certain payments as described in the prospectus, which are paid by the Fund.

TOP 10 HOLDINGS (%) as of 12/31/18

Radius Health Inc.	2.6
Portola Pharmaceuticals Inc.	2.6
Ionis Pharmaceuticals Inc.	2.5
Amgen Inc.	2.5
Medicines Co/The	2.5
Loxo Oncology Inc.	2.5
United Therapeutics Corp.	2.5
Spark Therapeutics Inc.	2.4
Regeneron Pharmaceuticals Inc.	2.4
Vanda Pharmaceuticals Inc.	2.4

Holdings are subject to change. To view the full list of holdings, please visit virtus.com.

NYSE Arca

NAV Symbol	BBP.NV
IOPV Symbol	BBP.IV
CUSIP	26923G202
Inception Date	12/16/14
Gross Expense Ratio	0.79%
Net Expense Ratio	0.79%
Adviser	Virtus ETF Advisers LLC
Distributor	ETF Distributors, LLC
Index Provider	LifeSci Index Partners, LLC
Benchmark	LifeSci Biotechnology Products Index

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 underlying LifeSci Biotechnology Products Index is rebalanced and reconstituted on June 15 and December 15 of each year.

PORTFOLIO MANAGEMENT



BBP is a passively managed, index-based ETF. Virtus ETF Advisers, LLC is the Fund's adviser and LifeSci Index Partners, LLC is the index provider. The portfolio managers are affiliated with Virtus ETF Advisers LLC, the Fund's adviser.

INVESTMENT PROFESSIONALS

Matthew B. Brown
Chief Operating Officer and
Portfolio Manager
Virtus ETF Advisers LLC
Industry start date: 1999
Start date with Fund: 2017

Seth J. Kadushin
Portfolio Manager
Virtus ETF Advisers LLC
Industry start date: 1988
Start date with Fund: 2017

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.

Benchmark: The Fund’s benchmark is the LifeSci Biotechnology Products Index, which is designed to track the performance of U.S. listed biotechnology stocks with at least one drug therapy approved by the U.S. Food and Drug Administration for marketing. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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 of owning the ETF may exceed the cost of investing directly in the underlying securities. **Industry/Sector Concentration:** A fund that focuses its investments on a particular industry or sector will be more sensitive to conditions that affect industry or sector than a non-concentrated fund. **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. **Correlation to Index:** The performance of the fund and its index may vary somewhat due to factors such as fund flows, transaction costs, and timing differences associated with addition to and deletions from its index. **Non-Diversified:** The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund’s assets. **No Guarantee:** There is no guarantee that the portfolio will meet its objective. **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 for a prospectus, which contains this and other information about the Fund. Read the prospectus carefully before investing.

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

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