

INVESTMENT OPPORTUNITY

The Fund seeks current income consistent with preservation of capital, while limiting fluctuations in net asset value due to changes in interest rates by investing primarily in investment grade, short-duration debt securities from multiple bond sectors. A disciplined, time-tested investment process and rigorous risk management approach aim to capitalize on opportunities across undervalued areas of the fixed income markets.

KEY FEATURES

Multi-Sector Short-Term Bond Exposure — Highly diversified, multi-sector bond allocation, with an emphasis on investment grade, domestic sectors

Relative Value Focus — Utilizes Newfleet’s hallmark relative value approach across sectors and industries, evaluating fundamentals, yields, spreads, and supply/demand dynamics

Shorter Duration, Attractive Yield Potential — Targets a duration of 1 - 3 years with flexibility to invest in below investment grade securities and developed markets debt in an effort to identify attractive yield opportunities

INVESTMENT PROCESS

Top-Down Sector Allocation

- 1 Continuous monitoring of the investable universe, sector evaluation, comparison, and allocation to identify relative value opportunities

Bottom-Up Security Selection

- 2 Quantitative and qualitative initial screens establish universe, understanding and reviewing underlying asset, assessing originator/management teams, analyzing deal structures to identify relative value opportunities

Portfolio Management

- 3 Sector/security investment recommendations debated, sector targets based on relative value assessment, security-level implementation and positioning decided, ongoing stress testing, risk assessment, and trading reviews

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	1.21	1.21	n/a	n/a	n/a	n/a	3.60
Market Price	1.45	1.45	n/a	n/a	n/a	n/a	3.76
Index	0.20	0.20	n/a	n/a	n/a	n/a	2.61

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 ICE BofA 1-5 Year US Corporate & Government Bond Index tracks the performance of US dollar denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, U.S. agency, foreign government, supranational and corporate securities, with a remaining term to final maturity less than 5 years, 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.

	NYSE Arca
NAV Symbol	SDCP.NV
IOPV Symbol	SDCP.IV
CUSIP	92790A884
Inception Date	11/15/23
Gross Expense Ratio	0.40%
Net Expense Ratio	0.35%
30-day SEC Yield	4.98%
Adviser	Virtus ETF Advisers LLC
Distributor	VP Distributors, LLC
Subadviser	Newfleet Asset Management
Index	ICE BofA 1-5 Year Corporate & Government Bond Index

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

The Adviser has agreed to waive a portion of the management fee equal to 0.05% through at least November 30, 2025, which will have the effect of reducing the Fund’s total expenses to 0.35%, excluding certain expenses as discussed above.

PORTFOLIO MANAGEMENT



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.

INVESTMENT PROFESSIONALS

David L. Albrycht, CFA

President and Chief Investment Officer
Industry start date: 1985
Start date as Fund Portfolio Manager: 2023

Lisa M. Baribault

Director and Portfolio Manager
Industry start date: 2003
Start date as Fund Portfolio Manager: 2023

Benjamin Caron, CFA

Senior Managing Director and Portfolio Manager
Industry start date: 1997
Start date as Fund Portfolio Manager: 2023

RATINGS DISTRIBUTION		% Fund	TOP TEN HOLDINGS		% Fund	SECTOR ALLOCATIONS		% Fund
Aaa		52.11	OBX 2023-NQM5 Trust, 6.5670%	3.50	3.50	Asset Backed Securities		35.06
Aa		11.23	United States Treasury Note/Bond, 2.5000%	04/30/2024	3.00	Corporate - High Quality		20.05
A		12.87	GLS Auto Select Receivables Trust 2023-2, 6.3800%	02/15/2029	2.98	Non-Agency Residential MBS		18.99
Baa		15.14	United States Treasury Note/Bond, 5.0000%	10/31/2025	2.97	Corporate - High Yield		7.73
Ba		5.63	American Homes 4 Rent 2015-SFR1 Trust, 3.4670%	04/01/2052	2.96	Treasury		7.06
B		1.54	Foursight Capital Automobile Receivables Trust 2023-1, 5.3900%	12/15/2027	2.90	Non-Agency Commercial MBS		6.08
Caa		0.00	HOMES 2023-NQM2 Trust, 6.4560%		2.89	Mortgage Backed Securities		3.86
Ca		0.00	COLT 2023-3 Mortgage Loan Trust, 7.1800%		2.88	Cash		1.16
C		0.00	Metlife Securitization Trust 2019-1, 3.7500%		2.63			
D		0.00	Oportun Issuance Trust 2021-C, 2.1800%	10/08/2031	2.06			
NR		0.32						
Cash & Equivalents		1.16						
FIXED CHARACTERISTICS		Fund						
Effective Duration		1.96	Holdings and sector weightings are subject to change.					
Weighted Average Maturity		2.50	To view the full list of holdings, please visit virtus.com .					
						INCOME DISTRIBUTIONS		
						Month	NAV at Month-End	
						January 2024	\$0.076970	25.83
						February 2024	\$0.105640	25.68
						March 2024	\$0.102060	25.75

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. **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. **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. **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. **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 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. **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. **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. **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.

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

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