

DIVERSIFY FOR YIELD WITH A MULTI-SECTOR STRATEGY

HOW MUCH FLEXIBILITY DOES YOUR BOND MANAGER HAVE TO NAVIGATE THE MARKETS?

- > Given the changing dynamics of the fixed income landscape, investors are challenged to achieve their income objectives with U.S. government bonds and traditional sources of yield.
- > A global multi-sector fixed income allocation offers exposure to U.S. and international economies, currencies, sectors, and securities.
- > Performance across the 14 sectors of the global fixed income market varies from year to year. Because it is impossible to predict which sector will perform best, an investment in multiple bond sectors may increase long-term return potential.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
22.62	7.44	18.79	6.65	17.13	10.84	1.81	14.32	12.11	5.40
15.81	6.15	6.08	1.94	15.76	9.41	1.76	14.32	9.99	5.28
12.50	1.33	6.02	1.51	9.88	7.66	1.44	11.24	8.11	1.52
9.66	0.49	5.97	1.18	5.26	7.50	1.14	10.93	7.51	0.94
9.43	0.23	5.05	1.08	4.42	5.12	0.99	10.14	7.47	-0.34
8.84	0.08	4.35	0.97	4.04	4.25	0.86	8.72	7.35	-0.49
8.17	-0.31	3.86	0.84	3.32	3.92	0.78	8.29	7.11	-1.04
4.70	-1.30	2.55	0.55	2.65	3.54	0.01	8.17	5.94	-1.04
4.21	-1.41	2.45	0.54	2.52	3.35	-0.23	6.86	4.52	-1.16
4.14	-2.00	2.06	-0.01	1.67	2.47	-0.61	6.35	3.87	-1.36
2.59	-2.02	1.22	-0.38	1.60	2.31	-0.87	5.77	3.16	-1.54
1.99	-2.61	0.73	-1.13	1.04	2.02	-1.39	5.63	2.97	-1.65
1.86	-2.75	-0.48	-3.57	1.03	1.56	-2.08	3.88	2.97	-2.32
0.98	-6.11	-1.33	-4.47	0.08	0.87	-4.37	3.67	2.78	-6.24

Annual returns in percent.

As of 12/31/21. Source: Morningstar, Barclays Live, Credit Suisse Leverage Loan Index, and FTSE Russell. **Past performance is not indicative of future results.** The table above is presented for informational purposes only and is not meant to represent the performance of any Virtus portfolio. Performance of all cited indexes is calculated on a total-return basis with dividends reinvested. Indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment. Asset-Backed represented by the Bloomberg ABS 3-5 Year Index. Agency Debentures represented by the Bloomberg U.S. Agency 1-3 Year Index. Bank Loans represented by the Credit Suisse Leveraged Loan Index. U.S. Aggregate represented by the Bloomberg U.S. Aggregate Bond Index. Commercial MBS represented by the Bloomberg CMBS ERISA-Eligible Index. Corporate High Yield represented by the Bloomberg U.S. Corporate High Yield Index. Corporate Investment Grade represented by the Bloomberg U.S. Corporate Intermediate Index. Emerging Markets Debt represented by the Bloomberg Emerging Markets Bond Index. Agency MBS represented by the Bloomberg U.S. MBS Index. Municipals represented by the Bloomberg Municipal 3 Year (2-4 Year Maturity) Index. Non-U.S. Dollar represented by the FTSE World Government Bond Index – Extended (WGBI-Extended). Taxable Municipals represented by the Bloomberg Taxable Municipals U.S. Aggregate Eligible Index. U.S. Treasuries represented by the Bloomberg U.S. Treasury Index. Yankee High Quality represented by the Bloomberg Intermediate Yankee Index. Please see page 4 for index definitions.

	Market Value	Yield
■ Asset-Backed	\$79.6 bn	1.13%
■ Agency Debentures	\$123.8 bn	0.70%
■ Bank Loans	\$1.4 tn	4.15%
■ U.S. Aggregate	\$26.8 tn	1.75%
■ Commercial MBS	\$536.6 bn	1.88%
■ Corp. High Yield	\$1.6 tn	4.21%
■ Corp. Investment Grade	\$6.9 tn	2.33%
■ Emerging Markets Debt	\$2.4 tn	4.31%
■ Agency MBS	\$7.3 tn	1.98%
■ Municipals	\$1.7 tn	1.11%
■ Non-U.S. Dollar	\$28.2 tn	0.90%
■ Taxable Municipals	\$491.3 bn	2.33%
■ U.S. Treasuries	\$10.5 tn	1.23%
■ Yankee High Quality	\$2.0 tn	1.99%

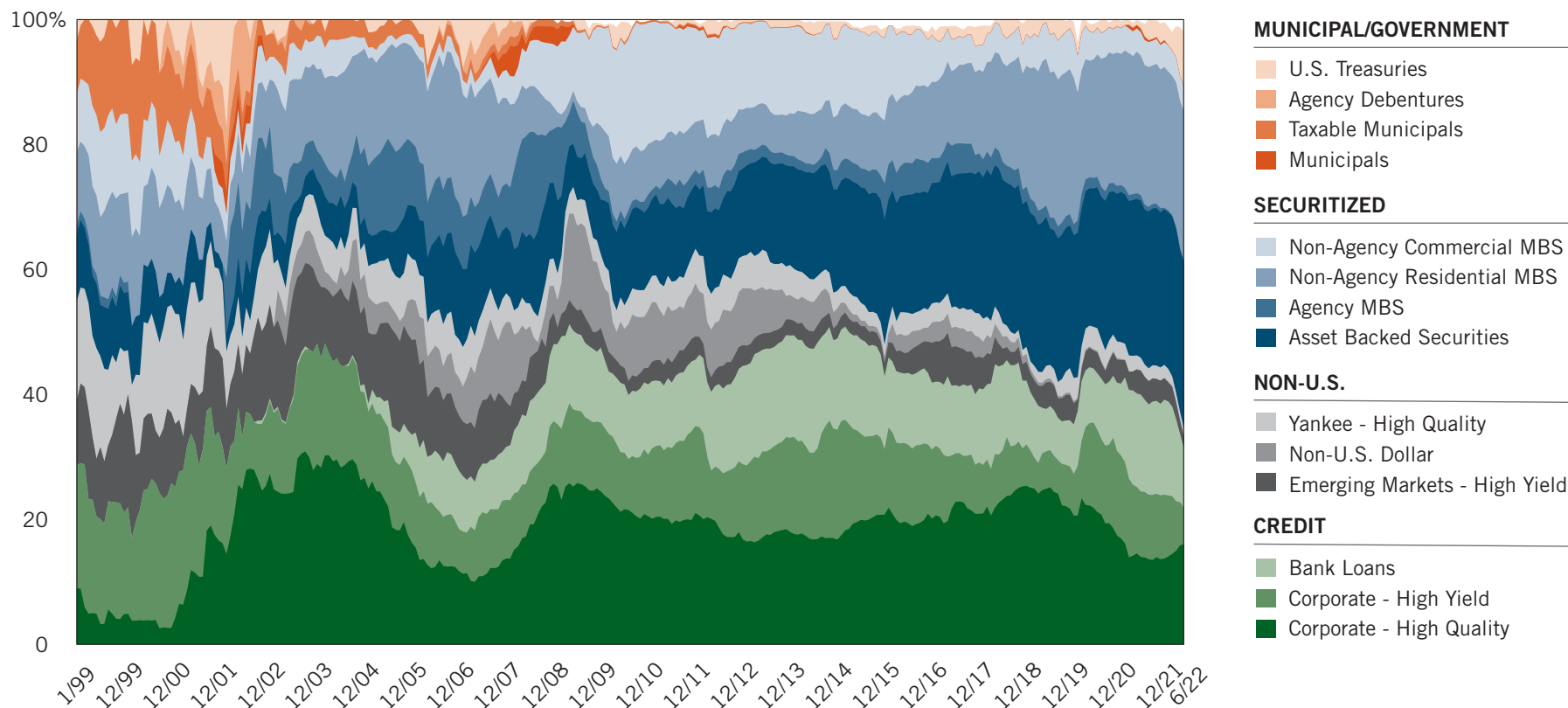
As of 12/31/21. Yield represents yield-to-worst, which is the lowest yield generated, given the potential stated calls prior to maturity. Bank loan yield represents current yield. Non-U.S. Dollar yield is Yield to Maturity.

OUR MULTI-SECTOR SHORT TERM BOND FUND NOT ONLY HAS FLEXIBILITY, BUT ALSO A HISTORY OF USING IT.

> The Virtus Newfleet Multi-Sector Short Term Bond Fund diversifies across 14 sectors of the global bond markets.

> The ability to allocate tactically among these sectors and maneuver opportunistically has been a core tenet behind the success of the fund's multi-sector approach.

Fixed Income Sector Allocations – January 1999 - June 2022



MOST IMPORTANTLY, WE HAVE A HISTORY OF RIGOROUS RISK MANAGEMENT.

> One down year since inception prior to 2008 and no capital gains distribution since 1997.

> Our risk management tools include a duration neutral strategy; diversification across 14 fixed income sectors; quality orientation; and granular positions within sectors which help mitigate risk.

Virtus Newfleet Multi-Sector Short Term Bond Fund Historical NAV

	NAV Range		Price Return	Income Return	Total Return	Bond Market News
	High	Low				
1993	4.93	4.81	1.66%	7.27%	8.93%	High yield resurgence
1994	4.92	4.51	-7.77	5.83	-1.94	Worst bond market in 75 years prior to 2008
1995	4.78	4.45	5.99	7.73	13.72	Rates rally
1996	4.98	4.74	3.97	7.33	11.31	Emerging markets rally
1997	5.17	4.90	0.00	9.46	9.46	Asian financial crisis
1998	5.02	4.45	-5.63	6.94	1.31	LTCM liquidity crisis
1999	4.71	4.55	-2.56	7.05	4.49	NASDAQ reaches all time high/3 rate hikes
2000	4.58	4.42	-0.88	7.97	7.09	Curve inverted/tech sell off/3 rate hikes
2001	4.63	4.52	0.44	7.54	7.98	Negative GDP
2002	4.64	4.49	1.98	5.42	7.40	Record default rates
2003	4.87	4.63	4.31	4.78	9.09	Emerging markets/high yield rally
2004	4.89	4.67	0.21	4.60	4.81	5 rate hikes
2005	4.84	4.68	-2.89	4.24	1.36	8 rate hikes/yield curve flattened
2006	4.77	4.62	0.85	4.67	5.52	4 rate hikes/yield curve inverted
2007	4.77	4.63	-2.11	5.25	3.15	Fed cuts rates 3 times
2008	4.67	3.71	-19.14	5.18	-13.96	Credit crunch
2009	4.61	3.75	22.07	7.73	29.80	Credit market recovery
2010	4.89	4.60	4.79	5.46	10.25	Fed holds rates near zero
2011	4.91	4.64	-1.66	4.76	3.10	EU sovereign debt crisis
2012	4.96	4.73	4.86	4.53	9.39	Fiscal cliff
2013	4.99	4.80	-2.02	3.53	1.52	Accommodative monetary policy
2014	4.92	4.71	-2.06	3.11	1.05	Accommodative monetary policy
2015	4.81	4.63	-2.73	2.82	0.09	Global economic uncertainty
2016	4.78	4.59	1.94	3.02	4.97	Strong total return but not without pocket of volatility
2017	4.79	4.73	0.64	3.02	3.66	Performance despite a rising rate environment and political gridlock
2018	4.76	4.57	-3.58	2.80	-0.78	Global Central Banks remove liquidity
2019	4.74	4.58	3.06	3.09	6.15	Central Banks pivot/credit outperforms
2020	4.79	4.26	1.48	2.82	4.30	Pandemic disrupts global economy, policymakers respond forcefully. Newfleet reacts swiftly and thoughtfully.
2021	4.80	4.71	-1.46	1.98	0.52	Fed patience pivots to cautious with higher inflation; Leveraged Finance rallies
2022 YTD*	4.71	4.38	-6.99	1.00	-5.99	Fed focused on elevated inflation

Returns are for Class A shares at NAV. Bond market news source: Newfleet Asset Management. 30-day SEC Yield: 2.92%. 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change. *As of 6/30/22.

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.

Average Annual Total Returns (%) Class A as of 6/30/22

	1 Year	5 Year	10 Year	Since Inception 7/6/1992
NAV	-6.08	1.00	1.99	4.73
POP	-8.19	0.54	1.75	4.65
Index	-4.61	1.50	1.81	4.26

The fund class gross expense ratio is 0.96%. The net expense ratio is 0.90%, which reflects a contractual expense reimbursement in effect through 1/31/2023.

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. 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. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge.

Index: The **ICE BofA 1-3 Year A-BBB US Corporate Index** measures performance of U.S. corporate bond issues rated A through BBB, inclusive (based on an average of Moody's, S&P and Fitch), with a remaining term to final maturity less than 3 years. 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.

INDEX DEFINITIONS:

Bloomberg U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total return basis.

Bloomberg U.S. Agency 1-3 Year Index includes native currency agency debentures from issuers such as Fannie Mae, Freddie Mac, and Federal Home Loan Bank with a term of 1 to 3 years. It is a subcomponent of the Government-Related Index (which also includes non-native currency agency bonds, sovereigns, supranationals, and local authority debt) and the U.S. Government Index (which also includes U.S. Treasury debt). The index includes callable and non-callable agency securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government (such as USAID securities).

Bloomberg U.S. Corporate Intermediate Index is a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market with a term of 1 to 10 years. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers that meet specified maturity, liquidity, and quality requirements.

Bloomberg Emerging Markets Bond Index includes fixed- and floating-rate USD-denominated debt from emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. For the index, an emerging market is defined as any country that has a long term foreign currency debt sovereign rating of Baa1/BBB+/BBB+ or below, using the middle rating of Moody's, S&P, and Fitch.

Bloomberg CMBS ERISA-Eligible Index is the ERISA-eligible component of the Bloomberg CMBS Index. This index, which includes investment grade securities that are ERISA eligible under the underwriter's exemption, is the only CMBS sector that is included in the U.S. Aggregate Index.

Bloomberg U.S. Corporate High-Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes emerging market debt.

Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting.

Bloomberg U.S. MBS Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Introduced in 1986, the GNMA, FHLMC, and FNMA fixed-rate indices for 30- and 15-year securities were backdated to January 1976, May 1977, and November 1982, respectively. Balloon securities were added in 1992 and removed on January 1, 2008. 20-year securities were added in July 2000. On April 1, 2007, agency hybrid adjustable-rate mortgage (ARM) pass-through securities were added to the index. Hybrid ARMs are eligible until 1 year prior to their floating coupon date.

Bloomberg Municipal 3 Year (2-4 Year Maturity) Index is a subindex of the U.S. Municipal Index and covers the 2 to 4 year maturity USD-denominated tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Taxable Municipal U.S. Aggregate Eligible Index is a rules-based, market-value weighted index engineered for the long-term taxable bond market. To be included in the index, the bonds must meet the eligibility requirements of the U.S. Aggregate Index. Bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies if all three rate the bond: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate and must be at least one year from their maturity date. Remarketed issues (unless converted to fixed rate), bonds with floating rates, and derivatives, are excluded from the benchmark.

Bloomberg ABS 3-5 Year Index has three subsectors: credit and charge cards, autos, and utilities. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. The issues must be fixed rate, investment grade, and have an average life of three to five years.

Bloomberg Intermediate Yankee Index contains bonds issued by foreign countries and corporations. These bonds are denominated in U.S. dollars, pay interest in U.S. dollars, and trade on U.S. exchanges. To be eligible for this index, the bonds must have a final maturity between one and ten years.

Credit Suisse Leveraged Loan Index tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated "5B" or lower, meaning that the highest rated issues included in this index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries.

FTSE World Government Bond Index-Extended (WGBI-Extended) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The WGBI-Extended includes any market that meets the size and credit criteria of the FTSE World Government Bond Index (WGBI) and is also a market already present in or eligible to be in one of the four regional government bond indexes. These regional indexes are the FTSE Asia Pacific Government Bond Index (APGBI), FTSE Central Eastern Europe, Middle East, and Africa Government Bond Index (CEEMEAGBI), FTSE Emerging Markets Government Bond Index (EMGBI) and FTSE Latin American Government Bond Index (LATAMGBI).

Indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and are not available for direct investment.

IMPORTANT RISK CONSIDERATIONS: 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.

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. **Bank Loans:** Bank loans may be unsecured or not fully collateralized, may be subject to restrictions on resale, may be less liquid and may trade infrequently on the secondary market. Bank loans settle on a delayed basis; thus, sale proceeds may not be available to meet redemptions for a substantial period of time after the sale of the loan.

Foreign & Emerging Markets: Investing in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, 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. **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. Price changes may be short or long-term. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio's manager(s) to invest the portfolio's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

This material must be preceded or accompanied by a prospectus or summary prospectus. 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](https://www.virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.

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Virtus Newfleet Multi-Sector Short Term Bond Fund

A: NARAX (92828R644) **I:** PIMSX (92828R610)
R6: VMSSX (92828W247) **C1:** PMSTX (92828R594)

**For more information, please contact us at
800.243.4361 or visit [virtus.com](https://www.virtus.com).**