



## **Breakpoint (Volume) Discounts on Class A Share Purchases.** **What arrangement is best for you?**

Your financial representative should recommend only those arrangements that are suitable for you based on known information. In certain instances, you may be entitled to a reduction or waiver of sales charges. For instance, you may be entitled to a sales charge discount on Class A Shares if you purchase more than certain breakpoint amounts. You should inform or inquire of your financial representative whether or not you may be entitled to a sales charge discount attributable to your total holdings in a fund or related funds. To determine eligibility for a sales charge discount, you may aggregate all of your accounts (including joint accounts, IRAs, non-IRAs, etc.) and those of your spouse or domestic partner, children and minor grandchildren. The financial representative may request you to provide an account statement or other holdings information to determine your eligibility for a breakpoint and to make certain all involved parties have the necessary data. Please be sure that you fully understand these choices before investing. If you or your financial representative requires additional assistance, you may also contact Mutual Fund Services by calling toll-free (800) 243-1574.

### **Class A Shares**

If you purchase Class A Shares, you will pay a sales charge at the time of purchase. Depending on which fund you purchase the maximum sales charge can vary from 5.75% of the offering price (6.10% of the amount invested), to 2.25% of the offering price (2.30% of the amount invested). The sales charge may be reduced or waived under certain conditions. Generally, Class A Shares are not subject to any charges by the fund when redeemed; however, a contingent deferred sales charge ("CDSC") may be imposed on certain redemptions on which a finder's fee has been paid. For Virtus Newfleet Low Duration Income Fund and Virtus Newfleet Multi-Sector Short Term Bond Fund, the CDSC may be imposed on redemptions made within 12 months of a finder's fee being paid; for all other funds, the CDSC may be imposed on redemptions within 18 months of a finder's fee that has been paid. For all Virtus fixed income funds, and Virtus Sector Trend Fund, the CDSC is 0.50%; for all other Virtus Mutual Funds, the CDSC is 1.00%. The 12 or 18 month CDSC period, as applicable, begins on the last day of the month preceding the month in which the purchase was made, and shares not subject to a finder's fee will be deemed to be redeemed first. Such deferred sales charge may be waived under certain conditions as determined by the Distributor or Transfer Agent. Class A Shares are subject to ongoing service fees at an annual rate of 0.25% of the Trust's aggregate average daily net assets attributable to the Class A Shares. In addition, certain purchases of Class A Shares qualify for reduced initial sales charges.

### **Initial Sales Charge Alternative—Class A Shares**

The public offering price of Class A Shares is the net asset value plus a sales charge that varies depending on the size of your purchase. (See "Class A Shares—Reduced Initial Sales Charges: Combination Purchase Privilege" in the Statement of Additional Information ("SAI"). Shares purchased based on the automatic reinvestment of income dividends or capital gain distributions are not subject to any sales charges. The sales charge is divided between your investment dealer and the fund's underwriter (VP Distributors, LLC).



**Purchases of Equity, Asset Allocation, Alternative, or International/Global funds Class A shares would be subject to the following sales charges:**

<b>Amount of Transaction at Offering Price</b>	<b>Sales Charge as a Percentage of Offering Price</b>	<b>Sales Charge as a Percentage of Amount Invested</b>	<b>Dealer Discount as Percentage of Offering Price</b>
Under \$50,000	5.75%	6.10%	5.00%
\$50,000 but under \$100,000	4.75	4.99	4.25
\$100,000 but under \$250,000	3.75	3.90	3.25
\$250,000 but under \$500,000	2.75	2.83	2.25
\$500,000 but under \$1,000,000	2.00	2.04	1.75
\$1,000,000 or more	None	None	None

**Purchases of Class A shares of the Virtus Newfleet Multi-Sector Short Term Bond Fund and Virtus Newfleet Low Duration Income Fund would be subject to the following sales charges:**

<b>Amount of Transaction at Offering Price</b>	<b>Sales Charge as a Percentage of Offering Price</b>	<b>Sales Charge as a Percentage of Amount Invested</b>	<b>Dealer Discount as Percentage of Offering Price</b>
Under \$100,000	2.25%	2.30%	2.00%
\$100,000 but under \$250,000	1.75	1.78	1.50
\$250,000 or more	None	None	None

**Purchases of Class A shares of the Virtus Newfleet CA Tax-Exempt Bond Fund, Virtus Newfleet Senior Floating Rate Fund and Virtus Newfleet Tax-Exempt Bond Fund would be subject to the following sales charges:**

<b>Amount of Transaction at Offering Price</b>	<b>Sales Charge as a Percentage of Offering Price</b>	<b>Sales Charge as a Percentage of Amount Invested</b>	<b>Dealer Discount as Percentage of Offering Price</b>
Under \$50,000	2.75%	2.83%	2.25%
\$50,000 but under \$100,000	2.25	2.30	2.00
\$100,000 but under \$250,000	1.75	1.78	1.50
\$250,000 but under \$500,000	1.25	1.27	1.00
\$500,000 but under \$1,000,000	1.00	1.01	1.00
\$1,000,000 or more	None	None	None

**Purchases of Class A Shares of the Virtus Newfleet Bond Fund, Virtus Newfleet Credit Opportunities Fund, Virtus Newfleet High Yield Fund and Virtus Newfleet Multi-Sector Intermediate Bond Fund would be subject to the following sales charges:**

<b>Amount of Transaction at Offering Price</b>	<b>Sales Charge as a Percentage of Offering Price</b>	<b>Sales Charge as a Percentage of Amount Invested</b>	<b>Dealer Discount as Percentage of Offering Price</b>
Under \$50,000	3.75%	3.90%	3.25%
\$50,000 but under \$100,000	3.50	3.63	3.00
\$100,000 but under \$250,000	3.25	3.36	2.75
\$250,000 but under \$500,000	2.25	2.30	2.00
\$500,000 but under \$1,000,000	1.75	1.78	1.50
\$1,000,000 or more	None	None	None

***Class A Shares—Reduced Initial Sales Charges.***

Investors choosing Class A Shares may be entitled to reduced sales charges. The ways in which sales charges may be avoided or reduced are described below.

***Combination Purchase Privilege.*** Your purchase of any class of shares of these funds or any other Virtus Mutual Fund, if made at the same time by the same person, will be added together with any existing Virtus Mutual Fund account values to determine whether the combined sum entitles you to an immediate reduction in sales charges. A “person” is defined in this and the following sections as either: (a) any individual, his or her spouse or domestic partner, children and minor grandchildren purchasing shares for his, her or their own account (including an IRA account) including his, her or their own sole proprietorship or trust where any of the above is named beneficiary; (b) a trustee or other fiduciary purchasing for a single trust, estate or single fiduciary account (even though more than one beneficiary may exist); (c) multiple accounts (up to 200) under a qualified employee benefit plan or administered by a third party administrator; or (d) trust companies, bank trust departments, registered investment advisers, and similar entities placing orders or providing administrative services with respect to accounts over which they exercise discretionary investment authority and which are held in a fiduciary, agency, custodial or similar capacity, provided all shares are held of record in the name, or nominee name, of the entity placing the order.

***Letter of Intent.*** If you sign a Letter of Intent, your purchase of any class of shares of these funds or any other Virtus Mutual Fund, if made by the same person within a 13-month period, will be added together to determine whether you are entitled to an immediate reduction in sales charges. Sales charges are reduced based on the overall amount you indicate that you will buy under the Letter of Intent. The Letter of Intent is a mutually non-binding arrangement between you and Virtus Mutual Funds. Shares worth 5% of the Letter of Intent amount will be held in escrow (while remaining registered in your name) to secure payment of the higher sales charges applicable to the shares actually purchased in the event the full intended amount is not purchased.

***Right of Accumulation.*** The value of your account(s) in any class of shares of these Funds or any other Virtus Mutual Fund, may be added together at the time of each purchase to determine whether the combined sum entitles you to a prospective reduction in sales charges. You must

provide certain account information to Virtus Mutual Funds or their agents at the time of purchase to exercise this right.

***Gift of Shares.*** If you make a gift of shares of Virtus Mutual Fund, upon your request you may combine purchases, if made at the same time, of any class of shares of these funds or any other Virtus Mutual Fund at the sales charge discount allowed for the combined purchase. The receiver of the gift may also be entitled to a prospective reduction in sales charges in accordance with the funds' right of accumulation or other provisions. You or the receiver of the gift must provide certain account information to Virtus Mutual Funds or their agents at the time of purchase to exercise this right.

***Associations.*** Certain groups or associations may be treated as a "person" and qualify for reduced Class A Share sales charges. The group or association must: (1) have been in existence for at least six months; (2) have a legitimate purpose other than to purchase mutual fund shares at a reduced sales charge; (3) work through an investment dealer; or (4) not be a group whose sole reason for existing is to consist of members who are credit card holders of a particular company, policyholders of an insurance company, customers of a bank or a broker-dealer or clients of an investment adviser.

***Account Reinstatement Privilege.*** Subject to the funds' policies and procedures regarding market timing, for 180 days after you sell your Class A or Class B Shares on which you have previously paid a sales charge, you may purchase Class A Shares of any Virtus Fund at net asset value, with no sales charge, by reinvesting all or part of your proceeds, but not more.

***Qualified Purchasers.*** If you fall within any one of the following categories, you will not have to pay a sales charge on your purchase of Class A Shares, provided that such purchase is made upon the written assurance of the purchaser that the purchase is made for investment purposes and that the share so acquired will not be resold except to the Fund:

- (1) trustee, director or officer of the Virtus Mutual Funds, or any other mutual fund advised, subadvised or distributed by the Adviser, Distributor or any of their corporate affiliates;
- (2) any director or officer, or any full-time employee or sales representative (for at least 90 days), of the applicable Fund's Adviser, Subadviser or Distributor;
- (3) any private client of an Adviser or Subadviser to any Virtus Mutual Fund;
- (4) registered representatives and employees of securities dealers with whom the Distributor has sales agreements;
- (5) any qualified retirement plan exclusively for persons described above;
- (6) any officer, director or employee of a corporate affiliate of the Adviser, a Subadviser or the Distributor;
- (7) any spouse or domestic partner, child, parent, grandparent, brother or sister of any person named in (1), (2), (4) or (6) above;
- (8) employee benefit plans for employees of the Adviser, Distributor and/or their corporate affiliates;
- (9) any employee or agent who retires from the Distributor and/or their corporate affiliates or from PNX, as long as, with respect to PNX employees or agents, such individual was employed by PNX prior to December 31, 2008;
- (10) any Virtus direct account held in the name of a qualified employee benefit plan, endowment fund or foundation if, on the date of the initial investment, the plan, fund or foundation has assets of \$10,000,000 or more or at least 100 eligible employees;
- (11) any person with a direct rollover transfer of shares from an established Virtus Mutual Fund or Virtus qualified plan;

- (12) any state, county, city, department, authority or similar agency prohibited by law from paying a sales charge;
- (13) any unallocated account held by a third party administrator, registered investment adviser, trust company, or bank trust department which exercises discretionary authority and holds the account in a fiduciary, agency, custodial or similar capacity, if in the aggregate such accounts held by such entity equal or exceed \$1,000,000;
- (14) any deferred compensation plan established for the benefit of any trustee or director of Virtus, any Virtus Mutual Fund, or any open or closed-end fund advised, subadvised or distributed by the Adviser, the Distributor or any of their corporate affiliates, provided that sales to persons listed in (1) through (14) above are made upon the written assurance of the purchaser that the purchase is made for investment purposes and that the shares so acquired will not be resold except to the Fund.

If you fall within any one of the following categories, you also will not have to pay a sales charge on your purchase of Class A Shares:

- (15) individuals purchasing through an account with an unaffiliated brokerage firm having an agreement with the Distributor to waive sales charges for its clients;
- (16) purchasers of Class A Shares bought through investment advisers and financial planners who charge an advisory, consulting or other fee for their services and buy shares for their own accounts or the accounts of their clients;
- (17) retirement plans and deferred compensation plans and trusts used to fund those plans (including, for example, certain plans qualified or created under Sections 401(a), 403(b) or 457 of the Code), and “rabbi trusts” that buy shares for their own accounts, in each case if those purchases are made through a broker or agent or other financial intermediary that has made special arrangements with the Distributor for such purchases;
- (18) clients of investment advisors or financial planners who buy shares for their own accounts but only if their accounts are linked to a master account of their investment advisor or financial planner on the books and records of the broker, agent or financial intermediary with which the Distributor has made such special arrangements.

Each of the investors described in (15) through (18) may be charged a fee by the broker, agent or financial intermediary for purchasing shares.

### **Dealer Concessions**

Dealers with whom the Distributor has entered into sales agreements receive a discount or commission as described in the “**Sales Charge you may pay to purchase Class A Shares, and Dealer Concessions**” charts on Pages 2 & 3 of this document.

Dealers and other entities who enter into special arrangements with the Distributor may receive compensation for the sale and promotion of shares of the Funds. Such fees are in addition to the sales commissions referenced above and may be based upon the amount of sales of fund shares by a dealer; the provision of assistance in marketing of fund shares; access to sales personnel and information dissemination services, provision of recordkeeping and administrative services to qualified employee benefit plans; and other criteria as established by the Distributor. Depending on the nature of the services, these fees may be paid either from the Trust through distribution fees, service fees or transfer agent fees or in some cases, the Distributor may pay certain fees from its own profits and resources. Dealers must have an aggregate of \$50,000 or more per Fund share class to qualify for payment of compensation applicable to that Fund share class.

Dealers and other entities that enter into special arrangements with the Distributor or the Transfer Agent may receive compensation from or on behalf of the Funds for providing certain recordkeeping and related services to the Funds or their shareholders. These fees may also be referred to as shareholder accounting fees, administrative services fees, sub-transfer agent fees or networking fees. They are not for the sale, promotion or marketing of Fund shares.

From its own profits and resources, the Distributor may, from time to time, make payments to qualified wholesalers, registered financial institutions and third party marketers for marketing support services and/or retention of assets. These payments are sometimes referred to as “revenue sharing”. Among others, the Distributor has agreed to make such payments for marketing support services to AXA Advisors, LLC. Additionally, for Virtus Newfleet Low Duration Income Fund and Virtus Newfleet Multi-Sector Short Term Bond Fund, the Distributor may pay broker-dealers a finder’s fee in an amount equal to 0.50% of eligible Class A Share purchases from \$250,000 to \$3,000,000 and 0.25% on amounts greater than \$3,000,000. For all other Virtus fixed income funds and Virtus Sector Trend Fund, the Distributor may pay broker-dealers a finder’s fee in an amount equal to 0.50% of eligible Class A Share purchases from \$1,000,000 to \$3,000,000 and 0.25% on amounts greater than \$3,000,000. For all other Virtus Mutual Funds, the Distributor may pay broker-dealers a finder’s fee in an amount equal to 1.00% of eligible Class A Share purchases from \$1,000,000 to \$3,000,000, 0.50% on amounts of \$3,000,001 to \$10,000,000, and 0.25% on amounts greater than \$10,000,000. Purchases by an account in the name of a qualified employee benefit plan are eligible for a finder’s fee only if such plan has at least 100 eligible employees. A CDSC may be imposed on certain redemptions of such Class A investments. For Virtus Newfleet Low Duration Income Fund and Virtus Newfleet Multi-Sector Short Term Bond Fund, the CDSC may be imposed on redemptions within 12 months of a finder’s fee being paid; for all other funds, the CDSC may be imposed on redemptions within 18 months of a finder’s fee being paid. For all Virtus fixed income funds and Virtus Sector Trend Fund, the CDSC is 0.50%; for all other Virtus Mutual Funds, the CDSC is 1.00%. For purposes of determining the applicability of the CDSC, the 12 or 18-month period, as applicable, begins on the last day of the month preceding the month in which the purchase was made.

The Distributor will also pay broker-dealers a service fee of 0.25% beginning in the thirteenth month following purchase of Class A Shares on which a finder’s fee has been paid. VP Distributors reserves the right to discontinue or alter such fee payment plans at any time.

From its own resources or pursuant to the Trust’s Distribution Plan, and subject to the dealers’ prior approval, the Distributor may provide additional compensation to registered representatives of dealers in the form of travel expenses, meals, and lodging associated with training and educational meetings sponsored by the Distributor. The Distributor may also provide gifts amounting in value to less than \$100, and occasional meals or entertainment, to registered representatives of dealers. Any such travel expenses, meals, lodging, gifts or entertainment paid will not be preconditioned upon the registered representatives’ or dealers’ achievement of a sales target. The Distributor may, from time to time, re-allow the entire portion of the sales charge on Class A Shares which it normally retains to individual selling dealers. However, such additional reallowance generally will be made only when the selling dealer commits to substantial marketing support such as internal wholesaling through dedicated personnel, internal communications and mass mailings.

The Distributor has agreed to pay fees to certain distributors for preferred marketing opportunities. These arrangements may be viewed as creating a conflict of interest between these distributors and investors. Investors should make due inquiry of their selling agents to

ensure that they are receiving the requisite point of sale disclosures and suitable recommendations free of any influence by reason of these arrangements.

The categories of payments the Distributor and/or the Transfer Agent may make to other parties are not mutually exclusive, and such parties may receive payments under more than one or all categories. These payments could be significant to a party receiving them, creating a conflict of interest for such party in making investment recommendations to investors. Investors should make due inquiry of any party recommending the funds for purchase to ensure that such investors are receiving the requisite point of sale disclosures and suitable recommendations free of any influence by reason of these arrangements.

**Investors should carefully consider the investment objectives, risks, charges and expenses of any Virtus Mutual Fund before investing. The prospectus and summary prospectus contain this and other information about the Fund. Please contact us at 1-800-243-1574 or visit Virtus.com to obtain a current prospectus and/or summary prospectus. You should read the prospectus and/or summary prospectus carefully before you invest or send money.**

Mutual funds distributed by **VP Distributors, LLC**  
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