



A Virtus Investment Partner

VIRTUS FIXED INCOME FUNDS

Experience. Discipline. Results.

“Newfleet’s cornerstone philosophy emphasizes relative value across the fixed income market. We seek to achieve consistent excess returns through active sector rotation combined with disciplined risk management.”

CORE / MULTI-SECTOR

The foundation of a fixed income portfolio offering broad exposure to 14 different sectors of the bond market.

FUND				
VIRTUS NEWFLEET LOW DURATION INCOME FUND	VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND	VIRTUS NEWFLEET BOND FUND	VIRTUS NEWFLEET MULTI-SECTOR INTERMEDIATE BOND FUND	VIRTUS NEWFLEET MULTI-SECTOR UNCONSTRAINED BOND ETF
SYMBOL				
A: HIMZX C: PCMZ I: HIBIX	A: NARAX C: PSTCX I: PMSTX R6: VMSSX	A: SAVAX C: SAVCX I: SAVYX R6: VBFRX	A: NAMFX C: NCMFX I: VMFIX R6: VMFRX	NFLT
DURATION*				
2.35 years	2.67 years	5.59 years	4.40 years	4.01 years
SEC YIELD*				
1.71% 1.34% (gross)	2.78% 2.77 (gross)	3.24% 2.92% (gross)	4.47% 4.32% (gross)	4.21% 4.18% (gross)
PORTFOLIO CONSTRUCTION				
High-quality short-duration bond fund Invests across all sectors with conservative exposure to below investment grade debt (generally 0%-20%) Generally 0%-35% exposure to non-U.S. securities	Short-duration bond fund Invests across all sectors with moderate exposure to issuers rated below investment grade (generally 0%-35%) Generally 0%-35% exposure to non-U.S. securities	Core plus bond fund Focus on intermediate-term debt securities across all sectors Moderate exposure to below investment grade debt (generally 0%-35%) Generally 0%-35% exposure to non-U.S. securities	Opportunistic bond fund Invests across all sectors with the ability to invest in a larger percentage of lower-rated debt (generally 0%-65%) Generally 0%-50% exposure to non-U.S. securities, including emerging markets and non-U.S. dollar securities	Opportunistic bond portfolio that is the expression of the team's highest-conviction ideas. No formal sector, industry, or country limitations
INVESTOR OPPORTUNITY				
For investors seeking modest income and attractive risk-adjusted total return	For investors seeking exposure beyond core fixed income sectors with the potential to earn moderately high income	For investors seeking an investment-grade, intermediate duration portfolio that strives to generate competitive income and attractive risk-adjusted total return	For investors seeking to generate positive returns across varying interest rate environments through a portfolio that strives to generate high current income and total return	For investors seeking total return through a fully flexible portfolio

*A Share. As of 3/31/17

Effective May 8, 2017 all of the Funds shown, excluding ETFs, changed their names.

BUILDING BLOCKS

Dedicated sector strategies offer tactical exposure to market segments and strive to provide diversification to core bond holdings.

FUND					
VIRTUS NEWFLEET SENIOR FLOATING RATE FUND	VIRTUS NEWFLEET HIGH YIELD FUND	VIRTUS NEWFLEET DYNAMIC CREDIT ETF	VIRTUS NEWFLEET CREDIT OPPORTUNITIES FUND	VIRTUS NEWFLEET TAX-EXEMPT BOND FUND	VIRTUS NEWFLEET CA TAX-EXEMPT BOND FUND
SYMBOL					
A: PSFRX C: PFSRX I: PSFIX R6: VRSFX	A: PHCHX C: PGHCX I: PHCIX R6: VRHYX	BLHY	A: VCOAX C: VCOCX I: VCOIX R6: VRCOX	A: HXBZX C: PXCZX I: HXBIX	A: CTESX I: CTXEX
DURATION*					
0.41 years	3.76 years	1.72 years	2.51 years	5.45 years	6.78 years
SEC YIELD*					
3.86% 3.79% (gross)	5.29% 4.91% (gross)	Not available	3.81% 3.62% (gross)	2.66% 2.48% (gross)	2.76% 2.43% (gross)
PORTFOLIO CONSTRUCTION					
Invests primarily in senior-secured, non-investment grade bank loans Diversification limits exposure to an industry or issuer	Invests primarily in below investment grade corporate debt globally, with the ability to access opportunities in other sectors of the fixed income market Opportunistic trading takes advantage of mispricings, market dislocations, and other special situations	Invests primarily in floating rate bank loans and high yield corporate bonds Has the ability to invest up to 100% of its assets in U.S. Treasuries when the managers determine that market conditions warrant a move away from credit sectors	Invests up and down the capital structure and risk spectrum in the most attractive high yield stressed and distressed credits Opportunistic, concentrated portfolio where an event or catalyst drives value or creates higher IRR potential than the high-yield and bank loan markets	Invests in a diversified portfolio of high-quality municipal bonds of varying maturities	Invests in high-quality tax-exempt municipal bonds issued in the state of California
INVESTOR OPPORTUNITY					
For investors seeking a hedge against rising interest rates Offers low correlation to other fixed income sectors	For investors seeking a high level of income with the potential for capital appreciation	For investors seeking to generate competitive total return from both income and capital appreciation, as well as to provide a hedge against rising interest rates	For investors seeking long-term total return from a combination of capital appreciation and interest	For investors seeking high current income exempt from federal income tax along with capital preservation	For California residents who seek to minimize payment of federal and state income taxes

*A Share. As of 3/31/17

Effective May 8, 2017 all of the Funds shown, excluding ETFs, changed their names.

PERFORMANCE



Class A average annual total returns in % as of 3/31/17

MUTUAL FUNDS	1 Year		5 Year		10 Year		Life of Fund		Inception Date
	NAV	POP*	NAV	POP*	NAV	POP*	NAV	POP*	
HIMZX ¹	2.09	-0.21	2.21	1.74	3.53	3.30	4.06	3.93	7/21/99
NARAX ²	5.47	3.09	2.92	2.45	4.45	4.21	5.52	5.42	7/6/92
SAVAX ³	4.27	0.36	3.25	2.46	4.69	4.29	4.88	4.67	7/1/98
NAMFX ⁴	10.99	6.83	4.54	3.74	5.54	5.13	7.26	7.11	12/15/89
PSFRX ⁵	7.74	4.78	3.84	3.26	n/a	n/a	4.92	4.60	1/31/08
PHCHX ⁶	13.71	9.45	6.10	5.30	5.07	4.67	7.44	7.33	7/28/80
VCOAX ⁷	8.66	4.58	n/a	n/a	n/a	n/a	3.31	1.16	6/5/15
HXBZX ⁸	-0.45	-3.19	2.46	1.89	4.10	3.81	4.55	4.37	1/30/01
CTESX ⁹	0.09	-2.66	3.57	3.00	4.11	3.82	5.99	5.91	5/17/83

ETFs**	1 Year		5 Year		10 Year		Life of Fund		Inception Date
	NAV	MKT	NAV	MKT	NAV	MKT	NAV	MKT	
NFLT ¹⁰	7.76	7.64	n/a	n/a	n/a	n/a	5.63	5.46	8/10/15
BLHY ¹¹	n/a	n/a	n/a	n/a	n/a	n/a	0.81	0.59	12/5/16

*POP reflects maximum sales charge.

¹The fund class gross expense ratio is 1.10%. The net expense ratio is 0.75%, which reflects a contractual expense reimbursement in effect through 4/30/2018.

²The fund class gross expense ratio is 1.00% and reflects the direct and indirect expenses paid by the Fund.

The gross expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.99%.

³The fund class gross expense ratio is 1.18%. The net expense ratio is 0.87%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.85%.

⁴The fund class gross expense ratio is 1.17%. The net expense ratio is 1.02%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 0.99%.

⁵The fund class gross expense ratio is 1.08%. The net expense ratio is 1.02%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.01%.

⁶The fund class gross expense ratio is 1.43%. The net expense ratio is 1.02%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.00%.

⁷The fund class gross expense ratio is 1.97%. The net expense ratio is 1.40%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.35%.

⁸The fund class gross expense ratio is 1.01%. The net expense ratio is 0.85%, which reflects a contractual expense reimbursement in effect through 4/30/2018.

⁹The fund class gross expense ratio is 1.21%. The net expense ratio is 0.85%, which reflects a contractual expense reimbursement in effect through 4/30/2018.

¹⁰Operating Expenses: Gross: 0.92; Net: 0.82. Net expense ratio reflects a contractual expense reimbursement in effect through 3/1/2018.

¹¹Operating Expenses: Gross: 1.21; Net: 0.68. Net expense ratio reflects a contractual expense reimbursement in effect through 11/28/2017.

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge of 3.75% for Virtus Newfleet Bond Fund, Virtus Newfleet Credit Opportunities Fund, Virtus Newfleet High Yield Fund, and Virtus Newfleet Multi-Sector Intermediate Bond Fund; 2.75% for Virtus Newfleet CA Tax-Exempt Bond Fund, Virtus Newfleet Senior Floating Rate Fund, and Virtus Newfleet Tax-Exempt Bond Fund; and 2.25% for Virtus Newfleet Low Duration Income Fund and Virtus Newfleet Multi-Sector Short Term Bond Fund. A contingent deferred sales charge of 0.50% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid.

**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 p.m. 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.

**Please contact us at 1.800.243.4361 or Virtus.com
for fixed income solutions along the risk spectrum.**

SEC Yield represents net investment income earned by a portfolio over a 30-day period, expressed as an annual percentage rate based on the portfolio's share price at the end of the 30-day period. For those funds with an SEC Yield Gross figure, all performance figures reflect a partial waiver of fees, where applicable. Without the partial waiver of fees, the performance figures would be lower. **Duration** represents the interest rate sensitivity of a fixed income fund. For example, if a fund's duration is five years, a 1% increase in interest rates would result in a 5% decline in the fund's price. Similarly, a 1% decline in interest rates would result in a 5% gain in the fund's price. **Correlation Coefficient** is a measure that determines the degree to which two variables' movements are associated. The correlation coefficient will vary from -1 to +1. A -1 indicates perfect negative correlation and +1 indicates perfect positive correlation.

IMPORTANT RISK CONSIDERATIONS:

Credit & Interest: Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities. **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 repayment of underlying collateral. **Geographic Concentration:** A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location. **Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Municipal Market:** Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value. **State & AMT Tax:** A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax. **Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded. **Liquidity:** Certain securities may be difficult to sell at a time and price beneficial to the fund. **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. **Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. **Exchange Traded Funds:** The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities. **Tax Liability:** Noncompliant conduct by a municipal bond issuer, or adverse interpretations, could cause interest from a security to become taxable, subjecting shareholders to increased tax liability. **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. **Prospectus:** For additional information on risks, please see the fund's prospectus.

Please carefully consider the investment objectives, risks, charges, and expenses of a Fund or ETF before investing. For this and other information about any Virtus mutual fund or ETF, contact your financial representative, call 1-800-243-4361, or visit Virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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