

InfraCap REIT Preferred ETF

PFFR

The InfraCap REIT Preferred ETF (NYSE Arca: PFFR) seeks to track the INDXX REIT Preferred Index.

NYSE Arca
3.31.2017

INVESTMENT OPPORTUNITY

The InfraCap REIT Preferred ETF is the only ETF offering a diversified investment in preferred securities issued by Real Estate Investment Trusts (REITs). Potential benefits include:

- ▶ Attractive yield potential
- ▶ Characteristics of both fixed income and equities
- ▶ Low equity beta
- ▶ Monthly dividends

REIT Preferreds may offer advantages relative to traditional preferred securities, such as those issued by banks and insurance companies.

- ▶ REITs are typically less leveraged, as they often have lower levels of corporate debt.
- ▶ The nature of revenue streams associated with REITs are generally more predictable.
- ▶ REITs may offer greater transparency as to the financial health of the issuer (i.e. cash flows, assets).

TOP 10 HOLDINGS (as of 3.31.17)

VEREIT Series F	10.4%
Welltower Series I	10.6%
Alexandria Real Estate Equities Series D	6.2%
Felcor Lodging Trust Series A	5.8%
National Retail Properties Series E	5.3%
Digital Realty Trust Series I	4.9%
Public Storage Series B	5.0%
Annaly Capital Management Series D	4.8%
DDR Corp Series J	3.7%
Cedar Realty Trust Inc.	3.6%

- ▶ 30-day SEC Yield: 6.24%*
- ▶ Average Yield-to-Worst: 5.02%*

* Index data as of 3.31.17

FUND INFORMATION

NAV Symbol	PFFR.NV
IOPV Symbol	PFFR.IV
CUSIP	26923G400
Index	INDXX REIT Preferred Stock Index
Index Symbol	IPFFR
Inception Date	February 7, 2017
Management Fee	0.45%
Adviser	Virtus ETF Advisers, LLC
Distributor	ETF Distributors LLC
Subadviser	Infrastructure Capital Advisors, LLC
Index Provider	INDXX, LLC

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.



FUND MANAGEMENT

Infrastructure Capital Advisors is a New York-based investment management firm with a specialization in energy infrastructure, real estate, and credit analysis.

FUND PERFORMANCE

Quarterly Performance (%) (as of 3/31/2017)								
	1 Mo.	3 Mo.	YTD	1YR	3YR	5YR	10YR	Since Inception
NAV	0.30	NA	NA	NA	NA	NA	NA	2.15
Price	0.25	NA	NA	NA	NA	NA	NA	2.32
Index	0.39	NA	NA	NA	NA	NA	NA	2.23

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

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 4:00pm bid/offer midpoint on distribution ex-date). Market price returns do not represent the return you would receive if you traded at other times.

Expense Ratio: 0.45%

Fund Inception: 2/7/2017

Index: INDXX REIT Preferred Stock Index

Expenses are based on estimated amounts for the current fiscal year. The management fee is structured as a "unified fee", out of which the Fund's subadviser pays all routine expenses for the Fund, except payments under any 12b-1 plan; taxes and other governmental fees; brokerage fees, commissions and other transaction expenses; interest and other costs of borrowing money; litigation or arbitration expenses; acquired fund fees and expenses; and extraordinary expenses of the Fund, each of which is paid by the Fund.

The INDXX REIT Preferred Stock Index is a market cap weighted index designed to provide diversified exposure to high yielding liquid preferred securities issued by Real Estate Investment Trusts listed in the US. The index is unmanaged; its returns do not reflect any fees, expenses or sales changes, and is not available for direct investment.

You should consider the fund's investment objectives, risks, and charges and expenses carefully before investing. Contact Virtus ETF Solutions at 1-888-383-0553 or visit www.infracapPFFR.com to obtain a prospectus which contains this and other information about the fund. The prospectus should be read carefully before investing.

Fund Risks

Preferred Stocks: Preferred stocks may decline in price, fail to pay dividends, or be illiquid.

Real Estate Investment: The fund may be negatively affected by factors specific to the real estate market, including interest rates, leverage, property, and management.

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.

Passive Strategy/Index Risk: A passive investment strategy seeking to track the performance of the Underlying Index may result in the Fund holding securities regardless of market conditions or their current or projected performance. This could cause the Fund's returns to be lower than if the Fund employed an active strategy.

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 additions to and deletions from its index.

Market Volatility: Securities in the fund may go up or down in response to the prospects of individual companies and general economic conditions. Price changes may be short or long term.

Prospectus: For additional information on risks, please see the fund's prospectus.

Virtus ETF Advisers, LLC serves as the investment adviser and Infrastructure Capital Advisors, LLC serves as the investment subadviser to the Fund. The Fund is distributed by ETF Distributors LLC, an affiliate of Virtus ETF Advisers, LLC.

Not FDIC Insured | Not Bank Guaranteed | May Lose Value