21 Virtus InfraCap U.S. Preferred Stock ETF



INVESTMENT OPPORTUNITY

The Fund seeks current income and, secondarily, capital appreciation through a portfolio of preferred securities issued by U.S. companies with market capitalizations of over \$100 million.

KEY FEATURES

Focus on Income — Offers the potential for attractive yields, while pursuing compelling total return results

Active Management — Security selection and weightings are based on a variety of quantitative, qualitative, and relative valuation factors

Enhanced Exposure — Modest leverage (typically 20-30%) is utilized to enhance portfolio beta, and options strategies are used in an effort to enhance current income

INVESTMENT PROCESS

- Evaluate potential investments on a variety of key variables, including the competitive position of a company; the perceived ability of the company to earn a high return on capital; the historical and projected stability and reliability of the profits of the company; the anticipated ability of the company to generate cash in excess of its growth needs; and the access of the company to additional capital.
- **2** Generally underweight or eliminate callable preferred securities exhibiting a low or negative yield-to-call ratio.
- **3** Apply leverage to potentially enhance portfolio exposure.
- 4 Employ option overlay strategies primarily to seek to provide additional current income; opportunistic short positions may be employed to hedge interest rate risk.



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.

	NYSE Arca
NAV Symbol	PFFA.NV
IOPV Symbol	PFFA.IV
CUSIP	26923G822
Inception Date	05/15/18
Total Expense Ratio	1.47%
Management Fee	0.80%
30-day SEC Yield	8.08%
Adviser	Virtus ETF Advisers LLC
Distributor	VP Distributors, LLC
Subadviser	Infrastructure Capital Advisors
Benchmark	S&P U.S. Preferred Stock Index

PORTFOLIO MANAGEMENT



Infrastructure Capital Advisors, LLC (ICA) is a registered investment advisor that manages an actively managed ETF and a series of hedge funds. The firm was formed in 2012 and is based in New York City.

INVESTMENT PROFESSIONALS

Jay D. Hatfield

Chief Investment Officer Industry start date: 2000

Start date as Fund Portfolio Manager: 2018

Edward Ryan

Chief Investment Officer Industry start date: 1980

Start date as Fund Portfolio Manager: 2018

TOP TEN HOLDINGS (%)	% Fund
American Finance Trust Inc	4.70
RLJ Lodging Trust cv pfd 1.95%	4.57
DCP Midstream LP	4.30
SCE Trust III	4.08
South Jersey Industries Inc	3.97
Crestwood Equity Partners LP	3.60
EPR Properties	3.39
Dominion Energy Inc	3.28
NuStar Energy LP	3.05
DigitalBridge Group Inc	2.88

Holdings are subject to change. To view the full list of holdings, please visit virtus.com.

DISTRIBUTIONS Month		NAV at Month-End
July 2021	\$0.160000	25.11
August 2021	\$0.160000	25.21
September 2021	\$0.160000	24.88

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 fund of owning shares of an ETF may exceed the cost of investing directly in the underlying securities. **Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid. Leverage: When a portfolio is leveraged, the value of its securities may be more volatile and all other risks may be compounded. Options: Selling call options may limit the opportunity to profit from the increase in price of the underlying asset. Selling put options risks loss if the option is exercised while the price of the underlying asset is rising. Buying options risks loss of the premium paid for those options. Non-Diversified: The portfolio 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 portfolio's assets. 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: Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended. Prospectus: For additional information on risks, please see the fund's prospectus.

GLOSSARY

30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

BENCHMARK

The S&P U.S. Preferred Stock Index measures performance of the U.S. preferred stock market. Preferred stocks pay dividends at a specified rate and receive preference over common stocks in terms of dividend payments and liquidation of assets. The index is calculated on a total return basis with dividend reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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.

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 professional, call 800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing. Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

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