

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

- 1 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.

|                     | NYSE Arca                       |
|---------------------|---------------------------------|
| NAV Symbol          | PFFA.NV                         |
| IOPV Symbol         | PFFA.IV                         |
| CUSIP               | 26923G822                       |
| Inception Date      | 05/15/18                        |
| Total Expense Ratio | 1.21%                           |
| Management Fee      | 0.80%                           |
| 30-day SEC Yield    | 8.62%                           |
| 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

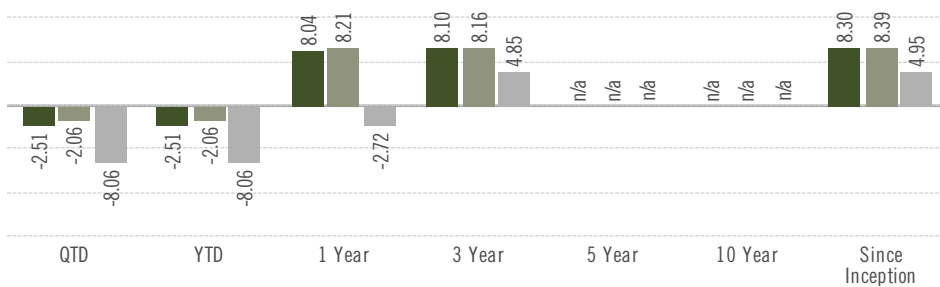
**Jay D. Hatfield**

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

AVERAGE ANNUAL TOTAL RETURNS (%) as of 03/31/2022 ■ NAV ■ Market Price ■ Index



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](http://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.

| TOP TEN HOLDINGS                 | % Fund | DISTRIBUTIONS |            | NAV at    |
|----------------------------------|--------|---------------|------------|-----------|
|                                  |        | Month         |            | Month-End |
| Crestwood Equity Partners LP     | 4.27   | January 2022  | \$0.162500 | 24.35     |
| Babcock & Wilcox Enterprises Inc | 4.09   | February 2022 | \$0.162500 | 23.45     |
| RLJ Lodging Trust cv pfd 1.95%   | 4.08   | March 2022    | \$0.162500 | 24.00     |
| SCE Trust III                    | 4.00   |               |            |           |
| DCP Midstream LP                 | 3.83   |               |            |           |
| South Jersey Industries Inc      | 3.79   |               |            |           |
| Necessity Retail REIT Inc/The    | 3.76   |               |            |           |
| Dominion Energy Inc              | 3.67   |               |            |           |
| EPR Properties                   | 3.17   |               |            |           |
| NuStar Energy LP                 | 2.91   |               |            |           |

Holdings are subject to change. To view the full list of holdings, please visit [virtus.com](http://virtus.com).

## 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 not diversified and may be more susceptible to factors negatively impacting its holdings to the extent the fund invests more of its assets in the securities of fewer issuers than would a diversified portfolio. **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:** 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 fund and its investments, including hampering the ability of the fund's 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.

**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](http://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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## 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.