



**Newfleet Asset Management is a division of
Virtus Fixed Income Advisers, LLC,
an SEC registered Investment Adviser**

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This Brochure provides information about the qualifications and business practices of Newfleet Asset Management, ("Newfleet"), a division of Virtus Fixed Income Advisers, LLC ("VFIA"), an SEC registered investment adviser. If you have any questions about the contents of this Brochure, please contact us at (877) 332-8172 or James.Sena@virtus.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you determine to hire or retain an adviser.

Additional information about Newfleet and VFIA is also available via the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Newfleet who are registered, or are required to be registered, as investment adviser representatives of Newfleet.

Item 2 – Material Changes

Effective July 1, 2022, Virtus Investment Partners, Inc. (“Virtus”) reorganized its three fixed income subsidiaries, including Newfleet Asset Management (“Newfleet”), LLC, to operate as separate divisions under a single legal entity named Virtus Fixed Income Advisers, LLC (“VFIA”). VFIA is a wholly owned subsidiary of Virtus and is an SEC registered investment adviser. The three divisions of VFIA, including Newfleet, maintain their distinct investment process and philosophy, portfolio management teams, investment culture and brand. They operate under the d/b/a names of: Newfleet Asset Management, Stone Harbor Investment Partners, and Seix Investment Advisors.

This Brochure provides information about Newfleet, and, where applicable, broadly refers to policies, conflicts and other considerations that apply across VFIA and its three divisions.

Since the last update of the “Newfleet” Brochure, dated July 29, 2023, the following items have been updated:

Item 4 – Advisory Business

- Updated AUM as of 12/31/2023.
- Updated additional Multi-Asset Credit strategies managed by Newfleet.

Item 5 – Fees and Compensation

- Updated fee tables for additional Multi-Asset Credit strategies.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

- Removed Libor Risk.

Item 10 – Other Financial Industry Activities and Affiliations

- Updated global subsidiary affiliates.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- Updated Gift and Entertainment allowable amounts to \$250.

You can request our Brochure by contacting James Sena 860.503.1130 or James.Sena@virtus.com. Our Brochure is also available on our website, www.newfleet.com, and is free of charge upon request.



Item 3 – Table of Contents

Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation.....	6
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9 – Disciplinary Information	19
Item 10 – Other Financial Industry Activities and Affiliations	19
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	23
Item 12 – Brokerage Practices	29
Item 13 – Review of Accounts	32
Item 14 – Client Referrals and Other Compensation	32
Item 15 – Custody	33
Item 16 – Investment Discretion	34
Item 17 – Voting Client Securities	35
Item 18 – Financial Information	36

Item 4 – Advisory Business

Newfleet Asset Management (“Newfleet”) is a boutique fixed income manager specializing in multi-sector and multi-asset strategies. Newfleet’s investment teams and strategies were originally formed in the early 1990s. Newfleet is a wholly owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”), a publicly traded company (NASDAQ: VRTS).

On July 1, 2022, Virtus reorganized its three fixed income subsidiaries (Newfleet Asset Management, LLC, Seix Investment Advisors LLC and Stone Harbor Investment Partners, LLC) to operate as separate divisions under a single legal entity named Virtus Fixed Income Advisers, LLC (“VFIA”). VFIA is a wholly owned subsidiary of Virtus and is an SEC registered investment adviser. This structure was adopted to enhance operational support, optimize data, and research services, augment investment capabilities and allow the three divisions of VFIA to access broader shared resources and expertise in a number of areas, including third-party research, market data, and external vendors.

The three divisions of VFIA maintain their distinct investment process and philosophy, portfolio management teams, investment culture and brand. They operate under the d/b/a names of:

Newfleet Asset Management (“Newfleet”)

Seix Investment Advisors (“Seix”)

Stone Harbor Investment Partners (“Stone Harbor”)

This brochure provides information about Newfleet. Two other brochures are available upon request which provide information about Seix and Stone Harbor.

Newfleet provides investment management services to open-end investment companies, closed-end funds, Exchanged Traded Funds, UCITS, foundations, endowments, trusts, pension and profit sharing plans, corporations, public funds, multi-employer plans, registered investment advisers, and separately managed accounts. Newfleet’s management of client portfolios is generally on a fully discretionary basis. The firm actively manages those portfolios with an overall goal of maximizing total returns subject to each client’s risk profile and investment guidelines and tailored to the individual needs of clients. Newfleet does not consider the above services “financial planning” or any similar term.

Types of Investments

Newfleet offers a variety of fixed income investment strategies utilizing securities debt securities, including but not limited to debt securities issued by the US or foreign governments (in external (typically USD/EUR/JPY) or local currency), foreign

governmental agencies or supranational organizations, corporate debt securities, Brady bonds, Euro bonds, repurchase agreements and reverse repurchase agreements, forward contracts, currency transactions, participation interests in corporate loans, securitized loan participations, convertible securities, Rule 144A securities, senior and subordinated loans and loan participations and assignments including mortgages, mortgage backed securities including mortgage TBAs, collateralized mortgage obligations (CMOs), asset backed securities, fixed and floating rate securities, fixed and floating rate commercial loans, distressed debt, payment in-kind securities (PIKs), zero-coupon bonds, inflation protected securities, step-up securities and derivative instruments (such as options, futures, swaps, credit default swaps, interest rate swaps, credit linked notes, interest only (IOs) and principal only (POs) investments, structured instruments and derivatives thereof). Newfleet also provides advice in connection with exchanged traded funds, mutual funds, closed-end funds, common stocks, preferred stock, debentures, notes, commercial paper, certificates representing securities (such as American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts), closed-end funds, exchange traded funds, private issues, equipment trust certificates, municipal securities, and real estate investment trusts. Newfleet may purchase securities on a when-issued, delayed delivery or forward basis. Newfleet may make use of derivative securities (including futures and options on securities, securities indices or currencies, options on futures, forward currency contracts, and interest rate, currency, or credit default swaps) for the purposes of reducing risk and/or obtaining efficient investment exposure. In general, Newfleet enters into derivatives transactions on an incidental basis to the fixed income strategy which it is implementing; however, Newfleet may seek active exposure through derivatives from time to time in its implementation of certain strategies.

In limited circumstances, where clients are deemed able and willing to accept greater risk in pursuit of potential higher total return, Newfleet also will use leveraging and hedging techniques, including buying securities on margin.

Investment Strategies

Newfleet provides discretionary asset management through a range of actively managed multi-sector and multi-asset strategies as well as a core plus strategy, bank loan strategy, high yield strategy, short duration strategy, global high yield strategy, securitized debt strategy, global investment grade corporates strategy, global high yield corporates strategy and a liability driven investing (LDI) strategies are offered by Newfleet.

Newfleet focuses on building long-term value for its clients through its strategies. Newfleet seeks to tailor the investment guidelines and restrictions of separately

managed accounts in order to satisfy each client's credit strategy requirements. Clients may impose restrictions or limitations on securities, including but not limited to limitations by asset class, benchmark, credit rating, or country weighting. Newfleet also serves as an adviser and sub-adviser to US and non-US pooled investment vehicles that have investment guidelines that are not subject to specific requirements of underlying fund investors.

Newfleet launched model portfolios to establish a track record of their multi-sector short duration and core plus strategies through the use of exchange traded funds with the intention of marketing them to wrap sponsors as both model only and to retail clients.

Assets under Management

As of December 31, 2023, Newfleet managed approximately \$14,762,354,601 in client assets, all managed on a discretionary basis. VFIA as a whole had a total of \$32,594,685,100 of discretionary assets and \$188,926,515 of non-discretionary assets under management as of December 31, 2023.

Item 5 – Fees and Compensation

Fees for investment advisory service are detailed in each contract for service and are subject to negotiation. Generally, Newfleet charges a fixed-percentage fee per annum for investment advice based on assets under management.

Clients may decide to have fees deducted from assets, or to be billed for fees incurred. Fees may be negotiable where special circumstances prevail, and arrangements with any particular client may vary. In some cases, fees charged by Newfleet may be greater than fees charged by other investment advisers for similar services; in other cases our fees may be lower.

Investment advisory fees may be based on the fair market value of the assets, the current face value of the assets on an annual basis or fixed fees. Newfleet may negotiate and enter into a performance based fee arrangement with eligible clients meeting the criteria as set forth under Rule 205-3 of the Investment Advisers Act of 1940, as amended.

Terminated accounts will be charged advisory fees and additional expenses incurred by Newfleet in the transfer or final disposition of the account. Accounts may be terminated by giving written notice, in most cases, 30 days, to Newfleet. Clients will generally receive a pro-rata refund of any unearned prepaid fees upon such termination.

Clients will incur brokerage, custodial, and other transactions costs in addition to fees. Please refer to Item 12, Brokerage Practices, for additional details.

In certain instances for separately managed clients' accounts, Newfleet may purchase or sell shares of one of the Affiliated Funds for which it serves as sub-adviser. When this occurs, the separately managed client account assets invested in an Affiliated Fund are not subject to the advisory fee otherwise applicable to the account; rather, those assets are subject only to the Affiliated Fund fees and charges applicable to all shareholders of the fund, as set forth in the fund's current prospectus. Depending on which Affiliated Fund the account is invested in, the Affiliated Fund fees, a portion of which are paid to Newfleet, may be more or less than the separate account advisory fee otherwise applicable to the account.

Advisory fees for services under existing sub-advisory contracts for the Virtus registered investment companies range between 0.11% and 0.475%, depending upon the type and size of the portfolio. Fees for the Virtus Funds are paid monthly based on the annual rate. Specific advisory fees and expense related information may be found in the prospectus and/or statement of additional information for each registered investment company.

Newfleet's basic fee schedules for separately managed accounts are:

Core Plus Strategy		Multi-Sector Short Duration Strategy	
\$25 to \$50 million	25 bps	\$25 to \$50 million	25 bps
\$50 to \$100 million	22.5 bps	\$50 to \$100 million	22.5 bps
Over \$100 million	18.75 bps	Over \$100 million	18.75 bps
Minimum Account Size	\$25 million	Minimum Account Size	\$25 million
Low Duration Strategy		Multi-Sector Opportunistic Strategy	
\$25 to \$50 million	20 bps	\$25 to \$50 million	30 bps
\$50 to \$100 million	18.75 bps	\$50 to \$100 million	25 bps
Over \$100 million	15 bps	Over \$100 million	20 bps
Minimum Account Size	\$25 million	Minimum Account Size	\$25 million
High Yield Strategy		Floating Rate Strategy	
\$25 to \$50 million	30 bps	\$50 to \$100 million	35 bps
\$50 to \$100 million	25 bps	Over \$100 million	30 bps
Over \$100 million	20 bps	Minimum Account Size	\$50 million
Minimum Account Size	\$25 million		

Short Duration High Income Strategy	
\$25 to \$50 million	30 bps
\$50 to \$100 million	25 bps
Over \$100 million	20 bps
Minimum Account Size	\$25 million

Mortgages Agency & Triple-A Strategy	
\$25 to \$50 million	25 bps
\$50 to \$100 million	22.5 bps
Over \$100 million	18.75 bps
Minimum Account Size	\$25 million

Multi-Asset Credit Opportunistic Strategy	
Up to \$100 million	65 bps
Over \$100 million	Negotiable
Minimum Account Size	\$50 million

Multi-Asset Credit Strategy	
Up to \$100 million	65 bps
Over \$100 million	Negotiable
Minimum Account Size	\$50 million

Liability Driven Investing (LDI) Strategy	
Management Fee	Negotiable
Minimum Account Size	\$200 million

LIBOR Plus Total Return Strategy	
\$25 to \$50 million	30 bps
\$50 to \$100 million	25 bps
Over \$100 million	20 bps
Minimum Account Size	\$25 million

Securitized Debt Strategy	
\$25 to \$50 million	30 bps
\$50 to \$100 million	25 bps
Over \$100 million	20 bps
Minimum Account Size	\$25 million

U.S. Investment Grade Corporates Strategy	
\$25 to \$50 million	30 bps
\$50 to \$100 million	25 bps
Over \$100 million	20 bps
Minimum Account Size	\$25 million

Global Investment Grade Corporates Strategy	
\$25 to \$50 million	30 bps
\$50 to \$100 million	25 bps
Over \$100 million	20 bps
Minimum Account Size	\$25 million

Global High Yield Corporates Strategy	
\$25 to \$50 million	30 bps
\$50 to \$100 million	25 bps
Over \$100 million	20 bps
Minimum Account Size	\$25 million

However, fees may be negotiable where special circumstances prevail, and arrangements with any particular client may vary from the foregoing.

Newfleet receives a portion of the fees charged by the promoter of the UCITS which has been determined by the contract between Newfleet and the promoter and subsequently approved by the UCITS in accordance with the provisions of the Central Bank of Ireland. Advisory fees for these services may be up to 0.375%.

[Item 6 - Performance-Based Fees and Side-By-Side Management](#)

As discussed in Item 5 above, Newfleet may negotiate incentive (performance-based) fee arrangements, or may charge a combination of performance-based and asset-based fees.

Performance-based fee arrangements may be viewed as creating an incentive for Newfleet to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements also create an incentive for an investment manager to favor performance fee accounts over other accounts in the allocation of investment opportunities because strong investment returns increase the performance-based fee paid to the investment manager, whereas the investment manager would receive an asset-based fee regardless of the performance of the account, although performance may affect the level of assets and, consequently, the asset-based fee. Notwithstanding the type of fee, fee arrangements generally create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

However, Newfleet has adopted and implemented procedures designed to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. Newfleet's allocation decisions may vary from transaction to transaction and will depend upon factors including, but not limited to, investment guidelines and restrictions, the type of investment, the amount of securities purchased or sold, minimum order size, the size of the account, and the size of an existing position in a client account, and considerations related to any applicable dual-hatting arrangements. Investment team members of at least one VFIA division serve as portfolio managers and traders of at least one registered investment company advised by another registered Virtus investor adviser. Newfleet may base its allocations on factors including but not limited to: achieving certain positions by percentage, cash position, country weightings, relative value, and position maintenance. Such decisions are not based upon fee structure. In addition, Newfleet's compliance team regularly monitors all portfolios for compliance with the firm's trade allocation policy.

Even though Newfleet's trade allocation policy is to treat all clients fairly and equitably over time, there is no guarantee this will occur because market events may intervene.

In addition, Newfleet makes investment decisions for each account independently from those of other accounts managed by Newfleet, and may give competing or conflicting advice to different clients. Moreover, because of different investment objectives or legal and regulatory requirements in a client's jurisdiction, a particular security may be purchased for one or more accounts when one or more other accounts are selling the same security. Thus, at any particular time, two or more accounts may seek to purchase or sell the same securities. If such securities are not available in sufficient quantities, or if Newfleet is otherwise unable to purchase or sell all of such securities, then Newfleet will allocate transactions in such securities among applicable accounts in a manner that Newfleet deems fair and equitable to all.

In addition, Newfleet may aggregate client trades in these circumstances. More information about the trade allocation and trade aggregation policies of Newfleet and VFIA can be found in Item 12.

Item 7 – Types of Clients

Newfleet offers portfolio management services to a wide variety of U.S. and non-U.S. institutional accounts, including, but not limited to, retirement plans including pension and profit-sharing plans, state and municipal government entities, supranational organizations, sovereign wealth funds, charitable organizations, multi-employer unions, corporations, and other business entities. In addition, Newfleet is the investment adviser or sub-adviser to various pooled investment vehicles including U.S. registered investment companies (open-end, closed-end, and exchange traded funds), collective investment trusts, private funds and registered offshore funds such as Irish UCITS and Irish qualifying investor alternative investment funds.

Newfleet's clients may use the services of investment consultants who have introduced those clients and other clients to Newfleet. Newfleet may purchase products or services, such as portfolio analytics or access to databases from such investment consultants, or may pay to attend conferences hosted by such investment consultants. In these circumstances, a consultant may have a conflict of interest in recommending the investment advisory services of Newfleet to clients because the consultant has received revenue from Newfleet in connection with other aspects of the consultant business.

Newfleet generally requires that a client invest at least \$25 million to open and maintain a separately managed account. Newfleet may, in its full discretion, waive an account minimum or increase an account minimum to open and maintain a separately managed account. Each pooled investment vehicle for which Newfleet serves as an adviser or sub-adviser maintains separate account opening and maintenance requirements, such as minimum investment amounts and one or more investor sophistication requirements. These requirements are generally set forth in each such pooled investment vehicle's offering documents.

Newfleet's portfolio managers and other personnel and affiliates may invest in the pooled investment vehicles that Newfleet manages. In certain cases, portfolio managers or related persons may hold shares of and/or may have provided seed capital for pooled investment vehicles that Newfleet has established and which are offered to external investors. Such arrangements may be viewed as creating an incentive for portfolio managers to favor the pooled investment vehicles in which their own or other employee

or related person assets are invested over other accounts in the allocation of investment opportunities. However, Newfleet has adopted and implemented procedures designed to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. Please refer to Item 6 above for additional information about Newfleet's allocation decisions.

Privacy Policy

Newfleet's goal is to protect non-public personal client information. Newfleet does not disclose or share any non-public personal client information with anyone (including affiliates), except as permitted by or disclosed to the client, required by law, or otherwise provided in Newfleet's Privacy Policies and Procedures. As a division of a registered investment adviser, Newfleet is subject to the requirements of Regulation S-P, which seeks to prevent the disclosure of certain non-public client information to third parties, and requires that Newfleet establish administrative, technical and physical safeguards that are reasonably designed to: (1) ensure the security and confidentiality of client records and information; (2) protect against any anticipated threats or hazards to the security or integrity of client records and information; and (3) protect against unauthorized access to or use of client records or information that could result in substantial harm or inconvenience to any client. Regulation S-P applies to non-public personal information about natural persons who obtain financial products or services primarily for personal, family or household purposes from certain types of institutions, including investment advisers. Regulation S-P does not apply to information about companies or institutions or about natural persons who obtain financial products or services primarily for business, commercial or agricultural purposes. In addition, Newfleet complies with the requirements of the European Union General Data Protection Regulation ("GDPR"), and therefore processes "personal data" (as defined by GDPR) in a manner that ensures the security, confidentiality, and integrity of the personal data by implementing appropriate technical and organizational measures

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Newfleet offers several principal investment strategies as described below. Any particular client account may utilize one or more of these investment strategies described below. Newfleet may, pursuant to client instruction, manage variations of these principal investment strategies, such as a "concentrated", "opportunistic" / "focused" or "restricted" version of a particular strategy, or variations which apply ratings restrictions.

Investing in securities and other financial instruments involves the risk of loss, including principal, which clients should be prepared to bear. While Newfleet seeks to achieve each client's stated investment objective, there is no guarantee that it will succeed. This

section provides more information about the material risks that may apply to a client account depending on its investment strategy. The results of Newfleet's investment activity may differ significantly between clients. Newfleet may give competing or conflicting advice to different clients.

Newfleet's security analysis methods include fundamental and technical analysis. Newfleet will use varied sources of information including, but not limited to, annual reports, prospectuses, filings with the Securities and Exchange Commission, inspections of corporate activities, research materials prepared by others, corporate rating services, company press releases, and financial newspapers and magazines. Newfleet may also utilize the services of a third party research provider. The research team is always engaged in fundamental research and uses a proactive approach to identify the current fundamentals of a particular issuer and to predict future developments in credit rating and fundamentals for specific issuers.

Newfleet's investment strategies include one or all of the following:

- long-term purchases (securities or bank loans held at least one year);
- short-term purchases (securities or bank loans sold within one year);
- trading (securities or bank loans sold within 30 days) (resulting in increased brokerage and other transaction costs and taxes);
- short sales;
- leverage (in the form of borrowing);
- use of certain other derivatives.

Newfleet may implement interest rate, credit spread and credit default transactions consistent with a client's investment guidelines.

Multi-Sector, Multi-Asset Credit Strategies

Newfleet's multi-sector strategy is based on the principle that active sector rotation, along with disciplined risk management and strong security selection, provides an effective method of achieving favorable returns in the fixed income market. Newfleet seeks the best opportunities for total return while avoiding interest-rate forecasting. Newfleet offers multi-sector strategies of varying duration and risk level.

Newfleet's multi-sector opportunistic strategy employs optimal flexibility to invest in below-investment grade and non-U.S. debt to maximize its potential for high current income and total return. Its value-oriented, research-driven approach seeks to overweight undervalued sectors and dynamically allocate across the broad fixed income universe while applying strict risk controls.

Newfleet's multi-asset credit strategy invests in an unconstrained global opportunity set that encompasses all major asset classes, including investment grade and securitized credit debt, high yield debt, bank loans, and hard and local currency sovereign and corporate debt, with an investment objective of achieving a target total return. The strategy is not constrained by or managed to a market benchmark and may be customized based on clients' investment goals and objectives.

Newfleet's multi-asset credit opportunistic strategy invests in an unconstrained and concentrated strategy of high conviction ideas. Portfolios invest in a wide range of fixed income securities including emerging markets debt, investment grade and high yield corporate debt, and derivatives, with an investment objective of achieving a target total return. The strategy is not constrained by or managed to a market benchmark and may be customized based on clients' investment goals and objectives.

Newfleet's core plus strategy seeks to generate high total return from both current income and capital appreciation by investing primarily in investment grade, intermediate-term debt securities across the broad fixed income universe. The strategy employs dynamic sector allocation, extensive research, and disciplined risk management that seeks to generate consistent outperformance of the Bloomberg U.S. Aggregate Index over a full market cycle.

Newfleet's Multi-Sector Low Duration Strategy primarily focuses on higher-quality, more liquid securities across the broad fixed income universe. The strategy seeks to generate attractive total return from both current income and capital appreciation with an emphasis on maintaining low volatility and shorter duration. The strategy employs extensive research and disciplined risk management to identify and tactically allocate to undervalued sectors.

Newfleet's LIBOR Plus Total Return Strategy Primarily invests in a broad range of fixed income securities, including investment grade and below investment grade corporate debt, bank loans, emerging markets hard and local currency sovereign and corporate debt, and derivatives. Duration is constrained with an effective duration of less than one year. The portfolios may be customized in terms of target return, permitted asset classes, and major base currency. The strategy aims to achieve total return through broad credit exposure while seeking to provide downside protection. Though the strategy is not managed against a benchmark, performance is measured against a cash target return.

Newfleet's Liability Driven Investing (LDI) Strategy offers multiple, customized LDI solutions for institutional clients and currently manage LDI Plus (active style, with

leverage) and LDI (passive style, no leverage) for large Multi-National Corporate Pension Plans.

Investment Grade Credit Strategies

Newfleet's U.S. Investment Grade Corporates Strategy seeks to generate high total return from both current income and capital appreciation by investing primarily in a wide range of U.S. issued investment grade corporate debt securities. The strategy employs a fundamental and qualitative approach, seeking to add excess return through strategic allocation of sectors and industries, as well as through disciplined credit selection.

Newfleet's Global Investment Grade Corporates Strategy seeks to generate high total return from both current income and capital appreciation by investing primarily in a wide range of globally issued investment grade corporate debt securities. The strategy employs a fundamental and qualitative approach, seeking to add excess return through strategic allocation of sectors and industries, as well as through disciplined credit selection.

Newfleet's Mortgages Agency and Triple-A Strategy seeks to generate high total return from both current income and capital appreciation by investing primarily in asset-backed securities, agency residential mortgage-backed securities and collateralized mortgage obligations, non-agency residential mortgage-backed securities, "to-be-announced" securities, commercial mortgage-backed securities, and U.S. government debt and U.S. Agency debentures that are rated "AAA" or the equivalent at the time of purchase.

Newfleet's Securitized Debt Strategy seeks to generate high total return from both current income and capital appreciation by investing primarily in agency and/or non-agency residential mortgage-backed securities, agency and/or non-agency commercial mortgage-backed securities, and asset-backed securities across the rating spectrum, though the strategy generally maintains a single-A or higher portfolio average credit rating.

Leveraged Finance Credit Strategies

Newfleet's High Yield Strategy may be appropriate for investors seeking diversification associated with investing in high yield, fixed income securities. The investment process strives to add value through issue selection, sector/industry selection, and opportunistic trading. The strategy will generally overweight sectors and industries with well-valued companies whose business profiles are viewed to be improving.

Newfleet's Bank Loan strategy invests in higher-quality, senior-secured, non-investment grade bank loans. Using extensive credit and company analysis and monitoring, the portfolio managers look for those securities with strong income potential while maintaining an emphasis on managing risk.

Newfleet's Short Duration High Income Strategy seeks a high current income with lower volatility and interest rate risk than the broader high yield market by investing in short-term, higher-quality high yield bonds with a duration of less than three years. The strategy utilizes issue selection, sector/industry selection, and opportunistic trading that attempts to mitigate volatility and generate excess returns.

Newfleet's Global High Yield Corporates Strategy seeks to generate total return from both current income and capital appreciation by investing primarily in non-investment grade corporate debt securities of global corporate issuers located in the U.S. and Europe, as well as in emerging markets.

Newfleet may enter into derivative transactions when the use is consistent with established client investment guidelines and the firm's investment strategy as selected by the client. A derivative is a financial arrangement between two parties whose payments or values are based on, or "derived" from, the performance of some agreed-upon benchmark. Common benchmarks include securities, indices, commodities, interest rates, currency exchange rates, securities spreads and other assets or economic benchmarks with varying degrees and types of associated risks.

Derivatives can be used for a variety of reasons. For example, if a portfolio consists of foreign investments that are denominated in the currency of the country of the issuer, we may want to reduce the risk of fluctuations in the value of such currencies. Or, we may want to modify the risk/return profile of a portfolio without incurring significant transaction cost and without disturbing the portfolio.

The value of securities used in any of Newfleet's offered investment strategies may go up or down in response to factors not within the control of the investment manager, such as the status of an individual company underlying a security, or the general economic climate.

Investors should be aware that their investment is not guaranteed, and understand that there is a risk of loss of value in their investment. The value of your portfolio may be affected by one or more of the following risks:

Market Volatility Risk. The Fund could lose money over short periods due to short-term market movements and over longer periods during more prolonged market downturns. The value of a security or other instrument may decline due to changes in

general market conditions, economic trends or events that are not specifically related to the issuer of the security or other instrument, or factors that affect a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector, or asset class. During a general market downturn, multiple asset classes may be negatively affected. Changes in market conditions and interest rates generally do not have the same impact on all types of securities and instruments. An outbreak of infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now been detected globally. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social, and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

Credit Risk. The risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline.

Derivatives Risk. The risk that the fund will incur a loss greater than the fund's investment in, or will experience greater share price volatility as a result of investing in, a derivative contract. Derivatives may include, among other things, futures, options, forwards, and swap agreements and may be used in order to hedge portfolio risks, create leverage, or to attempt to increase yield.

Emerging Markets Investments Risk. Emerging markets securities may be more volatile, or more greatly affected by negative conditions, than those of their counterparts in more established foreign markets..

Foreign Investing Risk. The risk that the prices of foreign securities in the fund's portfolio will be more volatile than those of domestic securities, or will be negatively affected by currency fluctuations, less regulated or liquid securities markets, or economic, political, or other developments.

High-Yield/High-Risk Fixed Income Securities (Junk Bonds) Risk. The risk that the issuers of high-yield/high-risk securities in the fund's portfolio will default, that the prices of such securities will be volatile, and that the securities will not be liquid.

Income Risk. The risk that income received from the fund will vary widely over the short- and/or long-term and/or be less than anticipated if the proceeds from maturing securities in the fund are reinvested in lower-yielding securities.

Interest Rate Risk. The risk that when interest rates rise, the values of the fund's debt securities, especially those with longer maturities, will fall.

Leverage Risk. The risk that leverage created from borrowing or certain types of transactions or instruments, including derivatives, may impair the fund's liquidity, cause it to liquidate positions at an unfavorable time, increase its volatility or otherwise cause it not to achieve its intended result.

Liquidity Risk. The risk that certain securities may be difficult or impossible to sell at the time and price beneficial to the fund.

Loan Risk. The risks that, in addition to the risks typically associated with high-yield/high-risk fixed income securities, loans (including floating rate loans) in which the fund invests may be unsecured or not fully collateralized, may be subject to restrictions on resale, and/or some loans may trade infrequently on the secondary market. Loans settle on a delayed basis, potentially leading to the sale proceeds of loans not being available to meet redemptions for a substantial period of time after the sale of the loans.

Long-Term Maturities/Durations Risk. The risk of greater price fluctuations than would be associated with securities having shorter maturities or durations.

Mortgage-Backed and Asset-Backed Securities Risk. The risk that changes in interest rates will cause both extension and prepayment risks for mortgage-backed and asset-backed securities in which the fund invests, or that an impairment of the value of collateral underlying such securities will cause the value of the securities to decrease.

Municipal Bond Market Risk. The risk that events negatively impacting a particular municipal security, or the municipal bond market in general, will cause the value of the fund's shares to decrease, perhaps significantly.

Prepayment/Call Risk. The risk that issuers will prepay fixed rate obligations when interest rates fall, forcing the fund to reinvest in obligations with lower interest rates than the original obligations and otherwise not benefit fully from the increase in value that other fixed income securities experience when interest rates decline.

Tax-Exempt Securities The risk that tax-exempt securities may not provide a higher after-tax return than taxable securities, or that the tax-exempt status of such securities may be lost or limited.

Tax Liability Risk. The risk that noncompliant conduct by a municipal bond issuer, or certain adverse interpretations or actions by a government or tax authority, could cause interest from a security to become taxable, possibly retroactively, subjecting shareholders to increased tax liability.

U.S. Government Securities Risk. The risk that U.S. Government securities in the fund's portfolio will be subject to price fluctuations, or that an agency or instrumentality will default on an obligation not backed by the full faith and credit of the United States.

Extraordinary Events Risk. Global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure.

Exchange-Traded Fund Risk.

Newfleet may gain exposure to emerging markets equity through investments in equity exchange-traded funds (ETFs). Such ETFs are subject to the risks of the underlying emerging markets equity securities in which the ETF invests. For instance, the market price of common stocks and other equity securities may go up or down, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting equity securities markets generally, particular industries represented in those markets, or the issuer itself. In addition, investors in an ETF bear their share of the ETF's expenses, in addition to any management or performance fees charged by Newfleet. Investments in ETFs involve the risk that the ETF's performance may not track the performance of the index or markets the ETF is designed to track. In addition, ETFs often use derivatives to track the performance of the relevant index and, therefore, investments in those ETFs are also subject to risks associated with investing in derivatives

Increased Regulations. Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

Cybersecurity Risk. In addition to the risks associated to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. A breach in cybersecurity refers to both intentional and unintentional events that may cause an account to lose proprietary information such as misappropriating sensitive information, access to digital systems to obtain client and financial information, corrupting data, or causing operational disruption. Similar adverse consequences could result from cybersecurity incidents affecting counterparties with which we engage in transactions, third-party service providers (e.g. a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. The Firm has in place risk management systems and business continuity plans which are designed to reduce the risks associated with these attacks, although there are inherent limitations in any

cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

Item 9 - Disciplinary Information

VFIA is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Newfleet, or VFIA or the integrity of VFIA or Newfleet's management.

VFIA has not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

VFIA is not registered as a broker-dealer and does not have any pending applications for registration.

An affiliate of VFIA, VP Distributors, LLC ("VPD") is a registered broker-dealer. VPD is a limited purpose broker-dealer that serves as principal underwriter and distributor of certain open-end mutual funds and ETFs advised or sub-advised by Virtus affiliates, including Newfleet as a division of VFIA.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status

VFIA is registered with the Commodity Futures Trading Commission ("CFTC") as a commodity pool operator ("CPO") in connection with certain of the pooled investment vehicles for which it serves as investment adviser or sub-adviser. In addition, certain VFIA employees are registered with the CFTC as associated persons and principals of the CPO. Certain of VFIA's affiliated investment advisers listed below also are registered as commodity pool operators or commodity trading advisors in connection with their management activities.

VFIA is not registered as a futures commission merchant or commodity trading adviser. VFIA does not have any pending applications for registration as a futures commission merchant or commodity trading adviser.

C. Material Relationships or Arrangements with Industry Participants

VFIA has relationships with its affiliates that you may consider material. These relationships are described below, along with an explanation of how we address what may be considered to be material conflicts of interest. Newfleet is a division of VFIA, which is wholly owned by Virtus Partners, Inc (“VPI”), whose parent company is Virtus. Certain officers and directors of Virtus serve as officers and/or directors of VFIA and Newfleet.

VFIA is comprised of three divisions: Newfleet Asset Management, Seix Investment Advisors and Stone Harbor Investment Partners. The three divisions of VFIA maintain their distinct investment process and philosophy, portfolio management teams, investment culture and brand, and operate under their “d/b/a” names. Certain VFIA officers and directors serve in the same or similar capacity at each of its three divisions as well as other Virtus affiliates. Certain VFIA officers, directors and employees also serve on the board of directors for various funds that are advised or sub-advised by VFIA or other Virtus affiliated investment advisers. From time to time, portfolio managers and traders employed by VFIA operate in a “dual hatted” capacity in which the individual provides investment management services to more than one investment adviser (such as to more than one division of VFIA and/or to another Virtus affiliated investment adviser). Any dual-hatted individuals are subject to the policies and procedures of both investment advisers.

In a variety of instances, Newfleet utilizes the personnel and/or services of one or more of VFIA’s affiliates, in the performance of Newfleet’s business, including, without limitation, finance, accounting, human resources, operations, trading, research, talent management, compliance, legal, technology, platform channel sales and service, marketing, and wholesaling. Such utilization can take a variety of forms including dual employee or delegation arrangements, formal sub-advisory or servicing agreements, or other formal and informal arrangements among VFIA and its affiliates. In these circumstances, the registered affiliate with which the client has its investment management agreement remains responsible for the account within the framework of the Advisers Act and/or other applicable regulatory frameworks and the relevant investment management agreement and no additional fees are charged to the client for the affiliates’ services except as set forth in the investment management agreement.

Certain employees of VPD promote the services of Newfleet as well as the products managed by Newfleet. When Newfleet pays a fee to VPD for the efforts of VPD’s

employees to promote Newfleet's services, VPD is an affiliated third-party promoter for Newfleet as discussed further in Item 14, below.

Certain employees of a related person of Newfleet, Virtus International Management, LLP ("Virtus International"), also promote the services of Newfleet as well as the products managed by Newfleet. Virtus International's representatives are permitted to introduce Newfleet's investment advisory services to institutional entities and sovereign wealth funds and other foreign official institutions within the United Kingdom and in other jurisdictions globally, to the extent permitted by the laws of each applicable jurisdiction. In the Asia-Pacific region, approved persons of Virtus Global Partners PTE. LTD ("Virtus Singapore") (UEN 201018015Z), which is authorized and regulated by the Monetary Authority of Singapore ("MAS"), are permitted to introduce the investment advisory services of Newfleet and certain of its affiliates to institutional entities, sovereign wealth funds, and other foreign official institutions. Certain employees of a related person of Newfleet, seconded to Virtus International Fund Management Limited ("VIFM") (Ref. No. C182357), which is authorized and regulated by the Central Bank of Ireland, carry out sales and marketing activity of certain Irish-domiciled UCITS funds to which Newfleet is the investment manager, to the extent permitted by applicable law.

(1) Investment Companies

Newfleet, as a division of VFIA, has contracted with Virtus Investment Advisers, Inc. ("VIA") to sub-advise certain investment portfolios of the Virtus Mutual Funds which are affiliated with Newfleet, and are distributed by VPD. Broker-dealers play a significant role and receive 12b-1 and other internal and external fees for selling interests in the Virtus Mutual Funds. Service providers to the Virtus Mutual Funds subadvised by Newfleet include VPD, the Principal Underwriter and Distributor; Virtus Fund Services, LLC ("VFS"), the Administrator, Fund Accountant and Transfer Agent; and Bank of New York Mellon, Custodian. VFS may engage other firms to provide administrative, fund accounting and transfer agency services to the Virtus Mutual Funds.

Newfleet sub-advises ETFs which is affiliated with VFIA and distributed by VPD. Broker-dealers play a significant role and receive fees for selling the ETFs. Service providers to the ETFs include VPD, the Principal Underwriter and Distributor; Virtus ETF Solutions LLC as Administrator of the Trust; and Bank of New York Mellon as Accounting Services Administrator, Custodian and Transfer Agent.

Newfleet is a sub-adviser of the Great-West Multi-Sector Bond Fund, which is a registered investment company. Newfleet is a sub-adviser of the Dunham Corporate/Government Bond Fund, which is a registered investment company.

(2) Investment Advisers/Broker-Dealers

VFIA has material business relationships with VFA. Newfleet, as a division of VFIA, has contracted with VFA to sub-advise and provide portfolio management, research, and analysis, to specified Client assets of VFA, including certain Virtus Mutual Funds. Newfleet and VFA have entered into solicitation or referral arrangements. Certain Newfleet officers and employees are also officers and employees of one or more of all affiliates.

Newfleet is a division of VFIA, which is a wholly owned subsidiary of VPI, which is a wholly owned subsidiary of Virtus. Virtus is a publicly traded company operating a multi-manager asset management business (NASD: VRTS). Certain officers and directors of Virtus serve as officers of Virtus's indirect, wholly owned affiliates, including VFIA and Newfleet.

VFIA has a number of affiliates that are registered investment advisers, which are:

- AlphaSimplex Group, LLC;
- Ceredex Value Advisors LLC;
- Duff & Phelps Investment Management Co.;
- Kayne Anderson Rudnick Investment Management, LLC;
- NFJ Investment Group, LLC;
- Seix CLO Management LLC;
- Seix CLO Management GP LLC;
- Silvant Capital Management LLC;
- Sustainable Growth Advisers, LP;
- Virtus Alternative Investment Advisers, Inc.;
- Virtus ETF Advisers LLC ("VEA");
- Virtus Fund Advisers, LLC ("VFA");
- Virtus Global Partners PTE. LTD.;
- Virtus International Fund Management Limited;
- Virtus International Management LLP;
- Virtus Investment Advisers, Inc. ("VIA");
- Westchester Capital Management, LLC;
- Westchester Capital Partners, LLC

As noted in Item 7 and in this Item 10 above, VFIA acts as an adviser or sub-adviser to various pooled investment vehicles (not all of which may be listed), including investment companies registered under the Investment Company Act of 1940, collective investment trusts, private funds, and registered offshore funds such as Irish UCITS and Irish

qualifying investor funds. Affiliates of VFIA serve in one or more capacities for certain of these funds as disclosed in the relevant fund offering materials.

(3) Private Partnerships

VFIA (by and through its divisions), or its affiliates, may serve as, or in a capacity substantially similar to, general partner or managing member of other private funds now or in the future. Newfleet, as a division of VFIA, serves in this capacity for one or more private funds.

Each private fund relies on exemptions from registration under of the Securities Act of 1933, as amended, and 1940 Act Section 3(c)(7) and Rule 3a-7. They may offer and sell units only to Accredited Investors as defined in the Securities Act of 1933 and Qualified Purchasers as defined in 1940 Act Section 2(a)(51) or to “knowledgeable employees” as defined in 1940 Act Rule 3c-5 (collectively, “Investors”). Each private Fund is managed only in accordance with its own characteristics and Investors may not impose restrictions on any investments or types of investments that would alter Newfleet’s investment strategy for the private Funds. In addition, Investors may not direct Newfleet to purchase or sell portfolio securities through any specific broker or dealer. Investors should consider whether a particular private Fund meets their investment objectives and risk tolerance prior to investing. Information about each private Fund can be found in its offering documents, including any confidential private placement memorandum.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Newfleet, as a division of VFIA, serves as adviser or sub-adviser to certain of the Virtus Mutual Funds and other pooled investment vehicles. When appropriate, Newfleet may recommend investment in these affiliated mutual funds and investment vehicles. To the extent that a Client chooses to invest all or a portion of its account in an affiliated mutual fund and investment vehicles, Newfleet does not charge an advisory fee on assets invested in affiliated mutual funds and investment vehicles, in addition to the advisory fees embedded in the mutual funds and investment vehicles.

[Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#)

A. Code of Ethics of VFIA (the firm)

We endeavor to ensure that the investment management and overall business of the firm complies with both our firm and Virtus (parent) policies and applicable U.S. federal

and state securities laws and regulations. We have adopted the Virtus Code of Conduct and the Code of Ethics (the “Codes”) in accordance with Rule 204A-1 of the Investment Advisers Act of 1940, as amended. The Codes have been reasonably designed to prevent and detect possible conflicts of interest with client trades. Compliance with the Codes is a condition of employment. All of our supervised persons must acknowledge terms of the Codes, annually, or as amended. Any employee found to have engaged in improper or unlawful activity faces appropriate disciplinary action. Each employee is responsible for ensuring that they and those they manage, conduct business professionally and comply with our firm’s policies and procedures. Employees must immediately report (to their supervisor, a compliance officer or corporate legal counsel) their knowledge any wrongdoing or improper conduct. Failure to do so may result in disciplinary action being taken against that individual. Our reporting procedures are supported by a telephone number and similar on-line reporting technology available 24-hours/day to any employee to confidentially report, or request assistance concerning possible violations of the Codes and other firm policies. This technology and reporting platform is administered by an independent, third-party.

Our officers and employees are encouraged to invest in shares of investment products that we and/or our affiliates advise. Subject to limitations described herein and set forth by our Codes, our officers and/or associated personnel may buy, hold, or sell the same investments for their own accounts as are held or to be held or sold for a client account and they may engage in the following:

- Recommend that clients buy or sell securities or investment products in which we or a related person have some financial interest; and/or
- Buy or sell securities or investment products that our firm and/or our officers and associated personnel or a related person recommends to our clients.

Our Codes are designed to prevent and detect conflicts of interest in regard to the above.

None of our officers and Access or Advisory persons may buy or sell any security or any option to buy or sell such security, such that they hold or acquire any direct or indirect beneficial ownership as a result of the transaction, if they know at the time of such transaction that such a security or option is being bought, sold, or considered for purchase or sale for a client account, unless one or more of the following conditions exist:

- They have no influence or control over the transaction from which they will acquire a beneficial interest;
- The transaction is non-volitional on their part or the client’s;
- The transaction is a purchase under an automatic dividend reinvestment plan or

- pursuant to the exercise of rights issues, pro-rata to them and other holders of the same class of the issuer's securities; or
- They have obtained, in advance, approval from someone authorized to grant such approval when circumstances indicate no reasonable likelihood of harm to the client or violation of applicable laws and regulations.

Code of Conduct

The following highlights some of the provisions of the Virtus Code of Conduct:

- Compliance with Applicable Laws, Rules, and Regulations
- Insider Trading
- Conflicts of Interest
- Corporate Opportunities
- Fair Dealing
- Protection and Proper Use of Company Assets
- Confidentiality
- Recordkeeping
- Interaction with Government Officials and Lobbying
- Contract Review and Execution
- Company Disclosures and Public Communications
- Information Protection Policies
- Human Resource Policies
- Use of Social Media
- Intellectual Property
- Designation of Compliance Officers
- Seeking Guidance About Requirement of the Code
- Reporting Violations
- Waivers, Discipline and Penalties

Code of Ethics

Employees are categorized as either Supervised, Access or Advisory Persons under our Code of Ethics.

All Supervised Persons are required to comply with the following:

- Instruct their brokers to directly provide our Compliance Department with duplicate copies of brokerage statements and trade confirmations or the electronic equivalent.
- Provide Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Conduct their personal transactions consistent with the Code of Ethics and in a

manner that avoids any actual or potential conflict of interest.

In addition to the above, those employees classified as Access Persons are further required to comply with the following:

- Pre-clear all non-exempt transactions with respect to which an employee is beneficial owner in order to prevent the employee from buying or selling at the same time as the firm.
- Hold all covered securities no less than 30-days.

Employees classified as Advisory Persons are further prohibited from directly or indirectly acquiring or disposing of a security on the date of, and within seven calendar days before and after the portfolio(s) associated with that person's portfolio management activities.

Any covered employee not in observance of the above may be subject to a variety of disciplinary actions.

Other Related Policies and Procedures

We have adopted the Insider Trading Policy and Procedures designed to mitigate the risks of our firm and its employees misusing and misappropriating any material non-public information that they may become aware of, either on behalf of our clients or for their own benefit. Personnel are not to divulge or act upon any material, non-public information, as defined under relevant securities laws and in our Insider Trading Policy and Procedures. The policy applies to each of our Supervised, Access and Advisory Persons and extends to activities both within and outside their duties to our firm, including for an employee's personal account.

In addition to the above, our policies set limitations on and require reporting of gifts, entertainment, business meals, sponsorships, business building and charitable donations, whether given or received.

Generally, our employees are prohibited from accepting or providing gifts or other gratuities from clients or individuals seeking to conduct business with us in excess of \$250.

Our personnel may, under certain conditions, be granted permission to serve as directors, trustees, or officers of outside organizations. Prior to doing so, approval must be provided by Compliance.

A complete copy of our Code of Conduct and/or our Code of Ethics is available by

sending a written request to Virtus Fixed Income Advisers, Newfleet division, LLC Attn: Chief Compliance Officer, One Financial Plaza, Hartford, CT 06103 or by emailing a request to us at: james.sena@virtus.com.

Participation or Interest in Client Transactions

Newfleet and VFIA's affiliates may act as investment adviser to numerous Client accounts. Newfleet's employees and VFIA's affiliates may invest in securities they also recommend to Clients and may give advice and take action with respect to Client accounts they manage, or for their own accounts, that may differ from action taken by Newfleet or VFIA's affiliates on behalf of other Client accounts. As these situations may represent a potential conflict of interest, Newfleet and VFIA's affiliates have adopted restrictive policies and procedures wherever deemed appropriate to detect and mitigate or prevent potential conflicts of interest. Newfleet and its employees are not obligated to recommend, buy, or sell, or to refrain from recommending, buying or selling any security that Newfleet, VFIA's affiliates or their respective Access Persons, as defined under the 1940 Act and the Advisers Act, may buy or sell for their own accounts or for the accounts of any other Client. Newfleet is not obligated to refrain from investing in securities held by Client accounts that it manages except to the extent that such investments violate the Code of Ethics adopted by Newfleet, and the Virtus Mutual Funds or any other regulatory or Client-imposed restrictions or guidelines. From time to time, Newfleet, its officers, directors and employees may have interests in securities owned by or recommended to Newfleet's Clients. These include interests in bonds, mutual funds, and privately offered Funds, domestic or foreign, that may invest directly or indirectly in securities of issuers which Newfleet may purchase for the CLO Fund, Performa, the ETF and Virtus GF Funds. As these situations may represent a potential conflict of interest, Newfleet has adopted procedures relating to personal securities transactions and insider trading that are reasonably designed to prevent perceived or actual conflicts of interest.

In addition, the existence of intercompany arrangements, business relationships and investment practices between Newfleet, its parent company and affiliates creates the potential for conflicts of interest. Newfleet has adopted restrictive policies and procedures wherever deemed appropriate to detect and mitigate or prevent potential conflicts of interest. Known conflicts and Newfleet's handling of such conflicts are disclosed below.

Newfleet portfolio management and trading personnel may at times simultaneously purchase or sell the same investments for Newfleet's Clients, as well as for various non-Newfleet Client relationships. Restrictive policies and procedures for information protection, Client account access, cross trading and trade allocations have been

implemented. Information sharing restrictions and policies and procedures have been implemented to protect Client account information access.

It is the policy of Newfleet to prohibit purchases and sales of assets between Newfleet managed accounts, except in accordance with the provisions of the governing instruments, and where not in violation of applicable law. To the extent that one Newfleet Client has purchased or sold a security and another Newfleet Client has conducted the opposite trade, during the normal course of business, the trade will be considered to be "in the market" if the trader has waited at least four hours to execute a trade in the opposite direction or has executed each side of the trade with a different broker. Trades executed in this manner will not be considered cross trades.

The Newfleet cross-trading policy excludes treasury and agency trades because the liquidity in these markets is such that only a few minutes is needed to ensure that the trades have been exposed to the market.

Due to the use of separate trading desks, it is possible that inadvertent cross-trades may occur between accounts managed by Newfleet and accounts managed by the other two divisions of VFIA, Seix and Stone Harbor. Potential cross-trades reports are reviewed on a regular basis by compliance personnel from Newfleet, Seix and Stone Harbor to identify any inadvertent cross-trades. The facts and circumstances regarding any inadvertent cross-trades are investigated by compliance and documented. In addition, Newfleet, Seix and Stone Harbor may compete for allocations of newly issued bonds and bank loans for their respective client accounts with similar investment guidelines or investment strategies.

Newfleet has a policy of not purchasing or recommending the purchase of securities issued by its parent company, Virtus. This policy also applies to the voting securities of a publicly held company if a director or senior officer of Virtus or its affiliates sits on the board. Restricted security information is available on request.

Mutual fund transactions with affiliated broker-dealers, if any, will be executed only pursuant to procedures adopted by the respective Board of Trustees of such mutual funds under the 1940 Act Rules 17e-1 and 10f-3. Cross transactions in mutual funds are executed only in accordance with 1940 Act Rule 17a-7 procedures adopted by each mutual fund's respective Board of Trustees. Under certain conditions, and upon specific Client requests, purchases of a mutual fund portfolio may be executed through "in-kind" securities purchases in lieu of cash purchases. Each Client request and each portfolio holding is individually evaluated to determine the feasibility and acceptability under the policies and procedures of Newfleet and the relevant mutual fund.

To the best of its abilities, Newfleet reviews and monitors each individual situation to ensure that all Clients are adequately protected against conflicts of interest. With respect to voting proxies for any such companies, Newfleet follows the conflicts provisions described in its Proxy Voting Policy designed to eliminate or minimize any such conflict.

Newfleet shall maintain records under the conditions described in Rule 31a-2 under the 1940 Act and Rule 204-2 of the Advisers Act that shall be available for examination by representatives of the SEC.

Item 12 – Brokerage Practices

Newfleet generally has the authority to make all determinations regarding securities to be purchased or sold, the amount of such securities to be purchased or sold, the use of broker-dealers and commissions paid.

In placing orders, Newfleet seeks to obtain best execution taking into account factors such as the overall performance and dealer's spread or mark-up, general execution and operational facilities of the broker or dealer, the stability of the broker or dealer, execution and settlement capabilities, time required to negotiate and execute the trade and research services. While Newfleet generally seeks the best price in placing its orders, an account may not necessarily be paying the lowest price available. Newfleet allocates transactions according to its trade allocation policy. This policy is discussed above in Item 6.

Newfleet does not utilize soft dollars and does not "pay-up" for research. Except as described below, Newfleet receives, without cost and unrelated to the execution of securities transactions, a broad range of research services from broker-dealers, including information on the economy, industries, groups of securities and individual companies, statistical information, market data, accounting and legal interpretations, political developments, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and other information which may affect the economy and/or security prices. Newfleet may, however, pay for research in circumstances where it is necessary to comply with non-U.S. regulations related to the execution of transactions, such as the European MIFID II regulation. Newfleet may also pay broker-dealers and their affiliates from its own capital for certain specialized data and services, such as benchmark information, that are also unrelated to the execution of securities transactions.

Certain pooled funds that Newfleet manages have entered into selling agreements with broker-dealers. To the extent that a broker-dealer places shares for any pooled fund

that Newfleet manages, Newfleet could realize a benefit (i.e. additional fee revenue) if the broker-dealer activity causes the fund's assets under management to increase. In selecting or recommending broker-dealers, Newfleet does not consider whether Newfleet, an affiliate or any fund managed by Newfleet receives client referrals from such broker-dealer. Furthermore, Newfleet does not select or recommend broker-dealers based upon financial, personal, blood and/or affinity relationships shared between the personnel of such broker-dealers and Newfleet.

Certain Newfleet clients may be broker-dealers through which Newfleet may also execute transactions. Newfleet may be viewed as having an incentive to select these broker-dealers to execute client transactions. However, Newfleet has developed procedures that are intended to ensure that Newfleet is complying with its obligation to seek best execution. For example, on a periodic basis, Newfleet will monitor and evaluate the performance and execution capabilities of the broker-dealers through which Newfleet executes trades.

Newfleet may accept directed brokerage arrangements, subject to several conditions, including, but not limited to, an understanding that Newfleet retains its obligation to seek best execution and that the client requesting such an arrangement provides Newfleet with targets for multiple broker-dealers.

Newfleet generally executes foreign exchange transactions through broker-dealers it selects in its discretion. Newfleet will use a client's custodian to execute foreign exchange transactions when mandated to by the client, due to local market restrictions or in situations when Newfleet believes the custodian offers best execution. For example, certain clients require all foreign currency transactions to be effected through the client's designated custodian. A client may also select a custodian who does not permit third party execution in a particular local market.

To the extent permitted by applicable law, Newfleet's compliance policies and procedures, and a client's investment management agreement and investment guidelines, Newfleet may exercise its discretion to execute "cross trades" between different clients subject to client consent and applicable policies and procedures. Cross trades may benefit clients on both sides of the trade by eliminating the need to pay a spread, mark-up, or commission to a counterparty.

However, cross trades also present a potential conflict of interest because Newfleet represents the interests of both the selling account and the buying account in the same transaction. As a result, clients for whom Newfleet executes cross trades bear the risk that one counterparty to the cross trade may be treated more favorably than the other party, particularly in cases where one party pays Newfleet higher management fees.

Additionally, there is a risk that the price of a security bought or sold through a cross trade may not be as favorable as it might have been had the trade been executed in the open market.

Newfleet has adopted various procedures to seek to address potential conflicts of interest and risks involving cross trades. First, Newfleet always seeks to ensure that internal cross trades are fair and in the best interests of all participating accounts, and that only eligible clients participate. Second, Newfleet receives no additional fee, and seeks best execution for each participating client. Newfleet may also execute cross trades on behalf of clients subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Such transactions will be structured in accordance with the applicable requirements of ERISA.

As noted in Item 6 above, Newfleet does periodically aggregate client trades. Clients participating in aggregated orders will generally receive the same average price. In certain instances, Newfleet may need to execute multiple trades in the same fixed-income security through different broker-dealers because a particular broker-dealer may not be able or willing to trade in the quantity or price that Newfleet seeks.

In such cases, the aggregation of such orders is not practically possible as most trade orders for fixed-income securities are executed or filled when they are placed and as a result each fixed-income trade order placed with a different broker-dealer is considered a separate order and different accounts will not participate in an average price.

Trade Error Policy

Newfleet will reimburse Clients for any direct loss resulting from the correction of a guideline breach or trade error where such is the result of an action taken by Newfleet. The account will keep any gains associated with corrective action. Generally, there is no netting of multiple transactions – i.e., gains on some trades cannot be netted with losses in order to reimburse a Client for a loss. Exceptions consist of instances such as wash sale programs, Wrap Programs, and the like. The gain or loss will be determined based on net proceeds paid vs. net proceeds received. It is not Newfleet's policy to reimburse Clients for passive breaches of investment guidelines, which are those that occur, not because of actions taken or not taken by Newfleet, but rather due to changes to the issuer of a security, such as delisting from an exchange or a downgrade by a rating agency, or those due to changes in market conditions, where values of securities held by a Client increase or decrease.

Item 13 – Review of Accounts

A record-keeping account is established and maintained in Newfleet's order management system and the appropriate portfolio accounting system. Newfleet's portfolio management team regularly reviews client transactions and client accounts to assess consistency with the relevant investment strategy and applicable account restrictions. While the underlying securities including derivative positions within the accounts are continually monitored, there are various reconciliations performed by Operations and Fund Administration that occur daily, monthly and/or quarterly depending on the type of account. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

A Senior Portfolio Manager, with extensive experience, is assigned to each account and is responsible for monitoring and maintaining compliance with client-specific guidelines. Portfolio Managers also perform more frequent informal reviews for accounts on an ongoing basis that include market conditions, portfolio holdings and transactions, cash flows and account performance.

Written account and performance reviews are offered to most clients on a quarterly basis. More- frequent reports may be provided upon request.

Item 14 – Client Referrals and Other Compensation

Newfleet generally does not receive an economic benefit from anyone other than its clients for providing investment advice to its clients. However, as discussed in Item 10, Newfleet and its personnel may provide services to Newfleet's affiliates, and Newfleet may receive services from its affiliates. Such services may include investment advice for which the providing entity may be compensated directly or indirectly by the receiving entity.

As discussed in Item 10, above, Newfleet has third-party promoter arrangements with VP Distributors, LLC ("VPD"), Virtus International Management, LLP ("Virtus International"), and Virtus Global Partners PTE. LTD ("Virtus Singapore"), each of which is an affiliate of Newfleet, whereby Newfleet compensates those entities for referrals in certain circumstances. The compensation paid by Newfleet to VPD, Virtus International and Virtus Singapore for these referral arrangements generally is structured as being all or a portion of any variable compensation paid by the affiliate to its employee(s) relating to assets under management by Newfleet that were referred by such employee(s), and in some cases the compensation also includes a percentage of the affiliate's costs with respect to employment of the individual(s).

With respect to Newfleet's investment management of certain Irish-domiciled UCITS funds, Newfleet or any of its affiliates providing investment management to such UCITS funds, at its discretion and only where permitted by applicable law, can rebate, or cause to rebate, part or all of the investment management fees charged to any UCITS fund shareholder or use part of such investment management fees to remunerate certain financial intermediaries of such UCITS funds for services provided to UCITS fund shareholders.

Additionally, Newfleet or any of its affiliates may enter into arrangements with, and/or make payments from their own assets to, certain intermediaries to enable access to Virtus Funds on platforms made available by such intermediaries or to assist such intermediaries to upgrade existing technology systems or implement new technology systems or programs in order to improve the methods through which the intermediary provides services to Newfleet and its affiliates and/or their clients. Such arrangements or payments may establish contractual obligations on the part of such intermediary to provide Newfleet's or an affiliate's fund clients with certain exclusive or preferred access to the use of the subject technology or programs or preferable placement on platforms operated by such intermediary. The services, arrangements and payments described in this paragraph present conflicts of interest because they provide incentives for intermediaries, customers or clients of intermediaries, or such customers' or clients' service providers to recommend, or otherwise make available, Newfleet's or its affiliates' strategies or Virtus Funds to their clients in order to receive or continue to benefit from these arrangements from Newfleet or its affiliates. The provision of these services, arrangements and payments described above by Newfleet or its affiliates is only to the extent permitted by applicable law and guidance and is not dependent on the amount of Virtus Funds or strategies sold or recommended by such intermediaries, customers or clients of intermediaries, or such customers' or clients' service providers.

Item 15 – Custody

VFIA does not have physical custody of either Client funds or securities. Clients receive account statements directly from their broker-dealers or custodians. Clients should carefully review the account statements from their broker-dealers or custodians. Clients should compare the account reports they receive from their adviser with the account statements from their broker-dealers or custodians.

Though VFIA does not provide custodial services to Clients, under the SEC's Custody Rule, VFIA is deemed to have custody in some situations due to the fact that VFIA can in those situations inform the custodian to remit investment advisory fees directly to VFIA.

VFIA, through each of its divisions, serves in the capacity of general partner or manager to one or more private funds that are not registered under the Investment Company Act (the "private fund"). The private fund(s) has retained an unaffiliated custodian to be

responsible for the custody and safekeeping of the private fund assets. Although VFIA will not have physical custody of such private fund's assets, the Advisers Act defines custody broadly, and VFIA believes that, like any other private fund manager, VFIA is deemed to have custody of the private fund's assets by reason of serving in the capacity of general partner or manager. In accordance with applicable custody requirements under the Advisers Act, an accountant registered with and subject to inspection by the Public Company Accounting Oversight Board ("PCAOB") will conduct an annual audit of the private fund and investors in the private fund will receive audited financial statements annually.

Item 16 – Investment Discretion

Newfleet generally manages accounts on a discretionary basis where Newfleet has full authority in determining which securities are purchased or sold. Newfleet exercises its investment discretion consistent with its investment policies, as well as with any investment guidelines or restrictions adopted by a client and accepted by Newfleet.

Generally, investment agreements between Newfleet and its clients are established at the time the account is opened, detail investment objectives and guidelines, and grant full discretionary authority over securities purchases and sales, subject to those investment objectives and guidelines. Newfleet may select brokers or dealers that provide research or other transaction-related services and may cause a client to pay such broker-dealer commissions for effecting transaction in excess of commissions other broker-dealers may have charged. Newfleet will consider the full range and quality of a broker's or dealer's services, including, among other things, the value of research provided, execution capability, commission rate, financial responsibility, market making capabilities, efficiency, confidentiality, responsiveness, and other factors it deems appropriate.

The Board of Directors, Managers or Trustees of each registered investment company sub-advised by Newfleet, establishes guidelines regarding investment strategy, and restrictions. Such guidelines can be found in each fund's prospectus. Newfleet complies with these guidelines in its exercise of investment discretion on behalf of each fund.

Class Action Lawsuits

Newfleet is not responsible for exercising client's rights to participate in the proceeds of class action lawsuits affecting securities they own or have owned. Newfleet will generally not notify clients regarding class action lawsuits and will not transmit proof of claim forms to clients except upon client request.

Item 17 – Voting Client Securities

Although the nature of Newfleet's portfolios is such that ballots are rarely required, Newfleet may be required by the investment management agreement to vote proxies on behalf of its clients. In certain instances, a client may retain the authority to vote proxies or delegate such authority to an independent third party. In certain other instances, a client may direct how Newfleet will vote proxies in a specific matter. In voting proxies, Newfleet is responsible for making investment decisions that seek to add value to its client assets and that are in the best interest of its clients. Newfleet has adopted proxy voting policies, general guidelines, and procedures. As an adviser that primarily invests in fixed-income securities, Newfleet does not frequently have to vote proxies on behalf of its clients.

In voting proxies, Newfleet is guided by general fiduciary principles. Newfleet's goal is to act prudently, solely in the best interest of the beneficial owners of the accounts it manages, and, in the case of ERISA accounts, for the exclusive purpose of providing economic benefits to such persons. Newfleet attempts to consider all factors of its vote that could affect the value of the investment, and will vote proxies in the manner that it believes will be consistent with efforts to maximize such value.

It is anticipated that Newfleet will generally follow its proxy voting general guidelines. If deemed to be in the best interests of a client, a portfolio manager may override the general guidelines without consultation with the Compliance & Risk Committee, unless the situation involves a conflict of interest. All overrides are subject to review by the Compliance & Risk Committee.

In addition to proxies, Newfleet will need to make decisions on behalf of its clients with regard to certain corporate actions, including but not limited to tender offers, restructurings, and covenants. In such circumstances, the portfolio manager or sector manager will generally make the decision.

In voting client proxies or making decisions with regard to corporate actions, Newfleet may encounter various potential conflicts of interest, such as when voting proxies pertaining to existing clients, potential clients, existing vendors, or lenders. In any case involving a potential or known conflict of interest, Newfleet personnel will consult with the Compliance & Risk Committee in an attempt to resolve an actual or potential conflict. In addition, the Compliance & Risk Committee reviews the proxy voting guidelines and portfolio manager overrides on at least an annual basis.

Unless specifically agreed otherwise, Newfleet will not take action or render advice involving legal action on behalf of a client with respect to securities or other investments

held in the client's account or issuer's thereof, which become the subject of legal notices or proceedings, including securities class actions and bankruptcies.

A complete copy of Newfleet's current Proxy Voting Policies & Procedures is available by sending a written request to Newfleet Asset Management, Attn: Compliance Department, One Financial Plaza, Hartford, CT 06103.

Email requests may be sent to: James.Sena@virtus.com

Item 18 – Financial Information

VFIA has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.