



## Form ADV, Part 2A Firm Brochure

### Item 1 – Cover Page

**Virtus Investment Advisers, Inc.**  
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March 25, 2020

This Form ADV Part 2A Brochure provides information about the qualifications and business practices of Virtus Investment Advisers, Inc. (“VIA”, “we”, “us” or “our”). If you have any questions about the contents of this brochure, please contact us at 800-248-7971 and/or [InvestmentAdviser@virtus.com](mailto:InvestmentAdviser@virtus.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about VIA is also available on the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We are a registered investment adviser. 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 you may use in your decision to hire or retain an adviser.



## Item 2 – Material Changes

Pursuant to SEC Rules, you will receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year, which is December 31<sup>st</sup>. We may further disclose information about material changes as necessary and we will provide you with a new brochure as necessary, based on changes or new information, at any time, without charge.

Our brochure is available free of charge upon request. You can request our brochure by calling our Compliance Department at 800-248-7971, and/or emailing us at [InvestmentAdviser@virtus.com](mailto:InvestmentAdviser@virtus.com). Additional information about VIA is also available from the SEC's web site at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with VIA who are registered, or are required to be registered, as investment adviser representatives of VIA. You can search the SEC's website by referencing a firm's unique identifying number known as a CRD number. Our CRD number is 106982.

This brochure contains the following material changes from our last update, dated March 28, 2019:

- Item 4: We updated the amount of our assets under Management.
- Item 5: We updated the descriptions of our fees and compensation.
- Item 7: We updated our description of our types of clients to include description of our employment of subadvisers.
- Item 8: We updated the descriptions of the principal risks related to our client portfolios, including but not limited to adding "Market Volatility Risk" which includes but is not limited to risks related economic impacts of the infectious disease known as "COVID-19".
- Item 10: We updated our description of other financial industry activities and affiliations to include additions to, or eliminations of such activities and affiliates since our last update.
- Item 11: We updated our description of Code of Ethics, Participation or Interest in Client Transactions and Personal Trading to include additional descriptions of participation or interest in client transactions.
- Item 14: We updated the description of Client Referrals and Other Compensation related to VIA personnel and VIA affiliates.
- Item 15: We updated our description of custody to indicate that our clients' comparison of their statements from their qualified custodian to the report we provide for the same time period will allow them to determine whether account transactions are proper.

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## Item 4 – Advisory Business

VIA is a wholly owned subsidiary of Virtus Partners, Inc., which is a wholly-owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”) a publicly traded multi-manager asset management business, as of December 31, 2008 (NASDAQ: VRTS). VIA has acted as an investment adviser since 1932, and has been an SEC-registered investment adviser since 1969.

We offer investment advisory services to investment companies registered under the Investment Company Act of 1940, as amended; and Undertakings for Collective Investment in Transferable Securities (“UCITS”) authorized under the European Directive.

We generally employ affiliated and/or non-affiliated advisers under sub-advisory relationships (“subadviser(s)”) to perform investment management services for our registered investment company and UCITS advisory clients, which collectively represent all of our assets under management. In doing so, we rely on the following:

- Certain “Manager of Managers” exemptive order(s) provided by the SEC when employing subadvisers for our registered investment company clients (“Funds”); and
- Provisions from the Central Bank of Ireland when employing subadvisers for UCITS clients.

The “manager of managers” structure involves the use of one or more subadvisers to manage some or all of a Fund’s portfolio. Under this structure, VIA is responsible for the oversight of the Funds’ investment programs and certain day-to-day operations and for evaluating and selecting subadvisers on an ongoing basis; making any recommendations to the Board of Trustees (or Directors as may apply) regarding hiring, retaining or replacing subadvisers; negotiating and renegotiating the terms of the subadvisory agreements; monitoring the subadvisers’ compliance with the Funds’ respective investment objectives, policies and restrictions; setting overall investment strategies of each fund; and providing certain other oversight activities. In some cases, we employ multiple subadvisers for one or more of the Funds and in these instances, we allocate, and as appropriate, reallocate the Fund(s)’ assets amongst the subadvisers. When doing so, each subadviser has management oversight of that portion of the funds allocated to each of them.

We tailor our advisory services to the individual needs of our clients and consider the needs and investment guidelines of each client when we accept new accounts. Client guidelines may include, but are not limited to the following: risk tolerance; investment objective(s); investment time horizon; cash/liquidity requirements; income requirements; and restrictions on investing in certain securities or types of securities. Investment guidelines and restrictions must be provided to VIA in writing, and may impact performance.

### **Assets under management**

The total regulatory assets under management of VIA, as of December 31, 2019, amounted to \$ 33,001,362,000 all managed on a discretionary basis, however from time to time, we may also manage accounts on a non-discretionary basis.

- When we manage accounts on a discretionary basis, we have full authority to determine which securities are purchased or sold; and
- When managing accounts on a non-discretionary basis, we perform our duties in accordance with the limitations described in the client contract.

### **Types of investments**

VIA, subject to client-imposed restrictions and guidelines, directly or through sub-advisory relationships, invests principally in the following types of instruments: equity securities (common stocks and equivalents) including exchange-listed securities, securities traded over-the-counter, foreign issues, American Depositary Receipts (“ADRs”), warrants, corporate debt securities, bank loans, certificates of deposit, municipal securities, investment company securities, including traditional mutual fund shares and exchange traded funds (“ETFs”), and United States government securities. We may also utilize, where appropriate, derivatives, options contracts on securities, futures contracts on intangibles, credit default swaps and participation notes. We may utilize foreign currencies to purchase foreign securities and to hedge against the risk of a decline in the U.S. dollar or other currencies.

### **Item 5 – Fees and Compensation**

This section describes our basic fee schedule; however, we reserve the right to negotiate fees with our clients and we may charge higher or lower fees than those described herein. We believe that our fees are competitive with those charged by other investment advisers for comparable services, but other firms may offer similar services for lower fees. The specific manner in which fees are charged is established in each client’s written agreement with VIA.

Our clients are normally billed directly for management fees based on the amount of assets under management. In limited circumstances, we may offer fixed or other fee arrangements. We may group multiple accounts of one client relationship together for purposes of calculating the fee, or in some cases, we may elect to not charge a fee to a small account if the client is paying on the total relationship (multiple accounts).

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Our clients may also incur certain charges imposed by custodians, brokers, third-party investment and other third parties such as but not limited to fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, ETFs and alternative investments bear their own operating expenses, including compensation paid to their advisers and other service providers as well as other expenses and fees. This information is disclosed in the specific fund’s prospectus or offering documents.



### **Advisory Fees – Registered Investment Companies**

Our fee charged to any particular registered investment company client is determined by our investment advisory contract as approved by such investment company in accordance with the provisions of the Investment Company Act of 1940, as amended (the “Investment Company Act”). The contracts provide that we shall furnish to the investment company office space and all necessary office facilities, equipment and personnel for managing the investment and reinvestment of the assets of the investment company.

Advisory fees for services rendered under our existing investment advisory contracts with registered investment companies may be up to 1.16% depending upon the type and size of the portfolio. Specific advisory fees and expense related information may be found in the prospectus and/or statement of additional information describing the investment policies and restrictions for the respective portfolio.

Our investment advisory contracts provide for termination without penalty generally with a sixty-day notice by the client or adviser and termination in the event of an assignment (as such term is defined in the Investment Company Act). Terminated accounts will be charged advisory fees and additional expenses incurred by VIA in the transfer or final disposition of an advisory account.

Where permitted by the investment advisory agreement and/or established investment guidelines, VIA or its subadvisers may purchase affiliated mutual funds (investment companies within the Virtus Equity Trust; and Virtus Opportunities Trust (collectively referred to herein as the “Virtus Funds”) or Virtus Variable Insurance Trust, or other funds advised or sub-advised by an affiliate); or non-affiliated closed-end mutual funds, open-end mutual funds, exchange traded funds, or alternative types of investments for our client portfolios. These types of investments bear their own operating expenses, including compensation paid to their advisers and other service providers as well as other expenses and fees. An account with assets invested in these types of investment instruments will indirectly pay its share of the compensation and fees paid by these instruments, in addition to advisory fees paid to us. To the extent that account assets are invested in an affiliated fund, such assets are not subject to the advisory fees otherwise applicable to the account.

### **Advisory Fees – UCITS**

We serve as the promoter and investment manager of the Virtus Global Funds plc and Virtus GF Global Growth Fund (ICAV), which are investment vehicles offered to non-U.S. investors in the form of UCITS domiciled in Ireland and registered with, and regulated by, the Central Bank of Ireland.

The fee we charge to any particular UCITS client is determined by the provisions of an investment manager and promoter contract between VIA and such UCITS, which contracts are approved by the UCITS in accordance with the provisions of the Central Bank of Ireland. The contracts provide that VIA shall furnish to the UCITS members of VIA's staff to serve as officers or agents of the investment company without salaries from the investment company.

Advisory fees for services rendered under existing investment advisory contracts with UCITS may be up to 2.15% depending upon the type and size of the portfolio.

## Item 6 – Performance-Based Fees and Side-By-Side Management

As of the date of this brochure, we have no performance based-fee arrangements, however we may enter into such arrangements (fees based upon documented performance metrics for designated client accounts). The terms of any incentive fee are based upon a negotiated arrangement with the client. We will enter into performance-based fee arrangements with only qualified clients. Any such arrangements will comply with Section 205 of the Advisers Act, and the rules thereunder, and all applicable laws and regulations. We have an incentive to favor accounts for which we receive performance-based fees. We have written compliance policies and procedures designed to mitigate or manage these conflicts of interest, including policies and procedures regarding the equitable allocation of investment opportunities and/or separation of trading and portfolio management activities by fire-walls (“information barriers”).

### **Side-by-side management**

“Side-by-side management” refers to the simultaneous management of multiple types of client accounts/investment products. VIA along with its subadvisers and/or affiliates manage numerous accounts with a variety of strategies, which may present conflicts of interest. Due to different client investment objectives and strategies clients should be aware that VIA, its subadvisers and/or affiliates may, and do at times sell or hold short positions in securities for one or more client accounts while purchasing or holding long positions in the same or substantially similar securities for other client accounts. We have written compliance policies and procedures designed to mitigate or manage these conflicts of interest, including policies and procedures regarding the equitable allocation and sequencing of trade orders for investment opportunities and/or separation of trading and portfolio management activities by fire-walls (“information barriers”).

## Item 7 – Types of Clients

We currently provide investment services and manage investment advisory accounts for certain open-end and closed-end registered investment companies and UCITS. We serve as a promoter and investment manager of investment vehicles offered to non-U.S. investors in the form of a UCITS domiciled in Ireland and registered with, and regulated by, the Central Bank of Ireland.

We require our new clients to enter into a signed written investment agreement outlining investment guidelines, fees and other conditions for starting or maintaining an account (such as minimum account size). The Board of Trustees (or Directors as may be applicable) for each registered investment company and UCITS establishes guidelines and restrictions. These guidelines are contained in the applicable offering documents.

When providing advisory services to any of the foregoing we generally employ affiliated and unaffiliated subadvisers pursuant to written subadvisory agreements that govern the provision of services to the client.

Our minimum advisory client account size is generally \$10 million. We reserve the rights to waive any and all minimum account requirements and to accept or continue to provide services to smaller accounts, at our sole discretion.

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

Our clients should not assume that portfolio investments will be profitable. The results for individual portfolios will vary depending on market conditions and the portfolio's overall composition. Investing in securities involves the risk of loss, including the loss of principal, which clients should be prepared to bear. There is no assurance that your portfolio will achieve its investment objective or that any investment will provide positive performance over any period of time. Past performance is no guarantee of future results.

### **Principal Risks – Mutual Fund and UCITS portfolios:**

Risks related to our Mutual Fund and UCITS strategies are as follows (additional information related to risks may be found in the prospectus, offering memorandum or other governing document provided by the respective Mutual Fund's or UCITS):

*ABS/MBS:* Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.

*Allocation:* The fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

*Bank Loans:* Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value, and have longer settlement times than other investments, which can make loans relatively illiquid at times.

*Call/Put Spreads:* Buying and selling call and put option spreads on the SPX Index risks the loss of the premium when buying, can limit upside participation, and increase downside losses.

*Closed-End Funds:* Closed-end funds may trade at a discount or premium from their net asset values, which may affect whether an investor will realize gains or losses. They may also employ leverage, which may increase volatility.

*Commodity-Linked Instruments:* Commodity-linked instruments may experience a return different than the commodity they attempt to track and may also be exposed to counterparty risk.

*Correlation to Index:* The performance of the fund and its index may vary somewhat due to factors such as fund flows, transaction costs, and timing differences associated with additions to and deletions from its index.

*Credit & Interest:* Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values





of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

*Equity Securities:* The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.

*Exchange-Traded Funds (ETF):* The value of an ETF may be more volatile than the underlying portfolio of securities it is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

*Foreign Investing:* Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk.

*Foreign & Emerging Markets:* Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

*Fund of Funds:* Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s).

*Geographic Concentration:* A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location.

*High Yield-High Risk Fixed Income Securities:* There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

*Income:* Income received from the fund may vary widely over the short and long term.

*Industry/Sector Concentration:* A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

*Leverage:* When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.

*Limited Number of Investments:* Because the fund has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated fund. *Municipal*

*Market:* Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

*Market Volatility Risk:* 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, hampering the ability of the fund's portfolio manager(s) to invest the

fund's assets as intended. Investments can 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.

*Natural Resources:* Investments in natural resources industries may be significantly affected by events relating to International political and economic developments, energy conservation, the success of exploration projects commodity prices, taxes and other governmental regulations.

*Non-Diversified:* The fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the fund's assets.

*Options Overlay:* The options overlay strategy may not be successful in achieving its objective of increasing distributable income while limiting the risk of loss and, in periods of significant moves in the S&P 500 Index, has resulted and, in the future, may result in losses for investors.

*Portfolio Turnover:* The fund's principal investment strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

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

*State & AMT Tax:* A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

*Extraordinary events:* Risks introduced by events such as global or regional pandemics, terrorist activity, war, armed conflict or other extraordinary events 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.

## Use of Derivatives, Options, Futures and Leverage

From time to time we will enter into other types of financial or securities transactions for our clients where the use thereof is consistent with established client investment guidelines, as follows:

- Enter into derivative transactions. 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, hedging against price movements in markets in which a portfolio anticipates increasing its exposure; reducing the risk of fluctuations in the value of investments denominated in foreign currencies; modifying the risk/return profile of a portfolio without trading securities held by the portfolio; and more efficient transactions costs. Derivatives can be used to achieve these and other goals.
- Write covered call options and purchase call and put options on securities and securities indices. We may utilize an appropriate transaction to close an open options position.
- Utilize financial futures and related options for hedging and risk management purposes.
- Employ leverage in the form of borrowing including borrowing in connection with selling securities “short”, as part of our overall portfolio management strategies and in accordance with established client guidelines. A “short sale” is a transaction in which a security not owned by the client is sold in anticipation that the market price of that security will decline.

*Risks associated with derivatives, credit default swaps and participation notes:* There are significant risks associated with derivatives, credit default swaps, participation notes, borrowing, short sales of securities and options that can result in the loss of principal, or in certain cases, the loss of more than the initial investment. The primary risks associated with derivatives, credit default swaps and participation notes are (i) market risk, which is the risk that the market value of the investment will decline, (ii) credit risk, which is the risk that the counterparty to the transaction will default on its obligations, (iii) liquidity risk, which is the risk that the instrument will not be readily marketable and (iv) valuation risk, which is the risk that because the instrument is thinly traded, it may have only one pricing source.

*Borrowing Risk:* When an account that is a registered investment company borrows money, it may be required to maintain continuous asset coverage (total assets including borrowings, less liabilities exclusive of borrowings) of 300% of the amount borrowed. If the asset coverage declines, for example as a result of market fluctuations, the account may be required to sell some of its portfolio holdings quickly to reduce the debt and restore the required asset coverage, even though it may be disadvantageous from an investment standpoint to do so. Borrowing may exaggerate the effect on the account’s net asset value of any increase or decrease in the market value of the portfolio. Money borrowed is subject to interest costs that may or may not be offset by appreciation of the securities purchased. The account also may be

subject to other conditions or fees that can increase the cost of borrowing over the stated interest rate. The various costs of borrowing may therefore ultimately exceed the income or potential capital gains from investments made with such leverage.

*Short Sales Risk:* In order to establish a short position in a security, an account must first borrow the security from a broker or other institution to complete the sale. The account may not always be able to borrow a security, or to close out a short position at a particular time or at an acceptable price. If the price of the borrowed security increases between the date of the short sale and the date on which the account replaces the security, the account may experience a loss. The account's loss on a short sale is limited only by the maximum attainable price of the security (which could be limitless) less the price the account received for the security at the time it was borrowed. When engaging in short sales, the account will transact with a prime broker. In the event that the prime broker becomes insolvent, the account may be unable to settle pending short sales, engage in additional short sales and/or access its assets that are held by the broker for a period of time.

*Risks Associated with the Purchase and Writing of Options:* During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying securities at the exercise price. If a call option purchased for a client account is not sold when it has remaining value, and if the market price of the underlying security remains less than or equal to the exercise price, the client account will lose its entire investment in the option. Also, where an option on a particular security is purchased to hedge against price movements in a related security, the price of the option may move more or less than the price of the related security. There can be no assurance that a liquid market will exist when seeking to close out an option position. Furthermore, closing out an option position may not be possible if trading restrictions or suspensions are imposed on the options market.

Investment strategy and use of derivatives, borrowing, short sales of securities and options by our subadvisers is further disclosed in the applicable fund's Prospectus and Statement of Additional Information or offering materials.

As noted in Item 4. All of our assets under management are delegated to affiliated and/or non-affiliated subadvisers.

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.

The value of securities used in all of our strategies, whether equity or fixed-income, may go up, or down, in response to factors not within our control, such as but not limited to the status of an individual company underlying a security, or the general economic climate.

***Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.***

### Item 9 – Disciplinary Information

In a December 2014 settlement with the SEC, F-Squared Investments (“F-Squared”), an unaffiliated former subadviser to VIA, admitted that it had violated federal securities laws related to inaccurate performance information for the period of April 2001 through September 2008 that was provided to clients and included in indices tracked by certain VIA-advised mutual funds and separate accounts. On November 16, 2015, without admitting or denying the SEC’s findings, VIA consented to the entry of an order providing that it cease and desist from committing or causing any violations and future violations of Sections 204, 206(2) and 206(4) of the Investment Advisers Act of 1940, as amended, and Rules 204-2, 206(4)-1, 206(4)-7 and 206(4)-8 thereunder, and Section 34(b) of the Investment Company Act of 1940, as amended; agreed to a censure; and paid \$16.5 million, which included a civil money penalty of \$2.0 million, disgorgement of \$13.4 million and prejudgment interest of \$1.1 million. According to the order, VIA: was negligent in not knowing that F-Squared’s track record and performance were inaccurate; falsely presented F-Squared’s AlphaSector strategy’s history and inaccurate track record in certain materials; failed to adopt adequate policies and procedures regarding the accuracy of third-party produced performance information and the reporting and assessment of concerns about the accuracy of such statements; and, as a result, failed to adopt and implement reasonably designed policies regarding the retention of books and records reasonably necessary to support the basis for such performance information in advertisements that it directly or indirectly distributed.

From time to time, VIA and/or its affiliates may be involved in litigation and arbitration as well as examinations and investigations by various regulatory bodies, including the SEC, involving such companies’ compliance with, among other things, securities laws, client investment guidelines, laws governing the activities of broker-dealers and other laws and regulations affecting their products and other activities. At this time, VIA believes that the outcomes of such matters are not likely, either individually or in the aggregate, to have a material adverse effect on the management or other services VIA provides to investment advisory accounts.

## Item 10 – Other Financial Industry Activities and Affiliations

Our investment management services are offered by Virtus under its multi-adviser asset management platform. Distribution of investment products and services offered in conjunction with this platform may involve VIA, its affiliates and other entities in support of these activities. Certain potential or actual conflicts of interests within these interrelationships may or may not be readily apparent to an investor. VIA is aware of, and has procedures to manage, its fiduciary duties and any potential conflicts that may arise related to providing services through affiliates.

VIA has material relationships with its affiliates, as described below.

VIA is a wholly owned subsidiary of Virtus Partners, Inc. (“VPI”), which is a wholly owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”). Virtus is a publicly traded company operating a multi-manager asset management business (NASDAQ: VRTS). Certain officers and directors of Virtus serve as officers of Virtus’s indirect, wholly owned affiliates, including VIA.

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

- Ceredex Value Advisors LLC
- Duff & Phelps Investment Management Co.
- Kayne Anderson Rudnick Investment Management, LLC
- Newfleet Asset Management, LLC
- Rampart Investment Management Company, LLC
- Seix CLO Management LLC
- Seix Investment Advisors LLC
- Silvant Capital Management LLC
- Sustainable Growth Advisers, LP (“SGA”)
- Virtus Alternative Investment Advisers, Inc. (“VAIA”)
- Virtus ETF Advisers LLC (“VEA”)
- Virtus Fund Advisers, LLC

In providing services to its clients, VIA may use personnel or services of one or more of its affiliated investment advisers or other corporate affiliates, and VIA’s affiliated investment advisers may use personnel or services of VIA. Services provided in these arrangements may include, among other things, investment advice, portfolio execution and trading, back office processing, accounting, reporting, and client servicing. These services may be provided through arrangements that take a variety of forms, including dual employee, participating affiliate, delegation arrangement, subadvisory, consulting, or other servicing agreements. In each case, the personnel of the entity providing services are required to follow policies and procedures designed to ensure that the applicable clients’ accounts are handled appropriately and the in the best interests of the clients. When VIA uses the personnel or services of an affiliate to provide services to VIA’s clients, VIA remains responsible for the account from a legal and contractual perspective. Similarly, if an affiliated investment adviser uses the personnel or services of VIA to provide services to such affiliated investment adviser’s clients, the affiliated investment adviser remains responsible for the account from a legal and contractual perspective. No additional fees are charged to the





clients for such services except as otherwise set forth in the client's applicable investment management or other agreement.

VIA engages certain of its affiliated investment advisers to provide subadvisory services with respect to certain open-end and/or closed-end funds managed by the affiliated investment advisers (such funds, "Virtus Funds"), and additional relationships of that nature may be entered into by VIA in the future. The compensation for such arrangements is typically structured as a percentage of the overall management fee being paid to the affiliated subadviser from VIA, as the hiring affiliated investment adviser.

VIA is not registered, and does not have an application pending to register, as a broker-dealer. However, an affiliate of VIA, 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 managed by VIA and/or its affiliated investment advisers. Certain VIA personnel whose job responsibilities either require or are appropriate for registering as broker-dealer representatives are registered representatives of VPD.

Certain employees of VPD promote the services of VIA as well as the products managed by VIA. When VIA pays a fee to VPD for the efforts of VPD's employees to promote VIA's services, VPD is considered a solicitor for VIA as discussed further in Item 14 below.

Certain employees of another affiliate of VIA, Virtus Investment Partners International, Ltd. ("Virtus International"), also promote the services of VIA as well as the products managed by VIA. Virtus International is an indirect wholly owned subsidiary of Virtus headquartered in London, England, and (along with its employees) is an Appointed Representative of Mirabella Advisers LLP (FRN 606792), which is authorized and regulated by the Financial Conduct Authority. When VIA pays a fee to Virtus International for the efforts of Virtus International's employees to promote VIA's services, Virtus International is considered a solicitor for VIA as discussed further in Item 14 below.

VIA is not registered, and does not have an application pending to register, as a futures commission merchant, a commodity pool operator, or a commodity trading advisor. Certain of VIA's affiliated investment advisers are registered as commodity pool operators or commodity trading advisors in connection with their management activities.

Virtus Fund Services, LLC, an affiliate of VIA, serves as the administrator and transfer agent to certain funds for which VIA and its affiliates act as the adviser or subadviser. Additionally, Virtus Fund Services, LLC is the administrator for the open-end and closed-end registered investment companies advised by VIA (listed above); and managed by affiliates of VIA.

VP Distributors, LLC serves as the principal underwriter and distributor of the exchange traded funds advised by its affiliate Virtus ETF Advisers LLC. VP Distributors, LLC's clients include large financial institutions known as Authorized Participants.

Certain VIA affiliates manage Private. Funds Complete and accurate information about such Private Funds are available in the Form ADV of the respective affiliate.

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

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 directors, 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 directors, officers, 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 directors, officers, 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 Virtus Code of Conduct directs our employees' conduct in the following areas:

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

We do not purchase or sell securities for our own account. However, when we do not engage a subadviser, we can at times utilize personnel as members of our portfolio management and trading team who also serve certain VIA affiliates in the same and/or similar capacities. In serving in this capacity these personnel serve an affiliate in managing assets of portfolio owned by another affiliate. VIA and its applicable affiliates have policies and procedures in place to ensure that their respective clients who share the same portfolio management and trading facilities are treated equitably and fairly over time, with respect to allocation and/or sequencing of trade orders for investment opportunities and to mitigate conflicts of interest with Virtus proprietary accounts.

#### *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 \$100.

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 Investment Advisers, Inc., Attn: Corporate Compliance, One Financial Plaza, Hartford, CT 06103 or by emailing a request to us at: [InvestmentAdviser@Virtus.com](mailto:InvestmentAdviser@Virtus.com).

### *Participation or Interest in Client Transactions*

The existence of business relationships and investment practices creates the potential for conflicts of interest. VIA has adopted restrictive policies and procedures wherever deemed appropriate, to seek to detect and mitigate or prevent potential conflicts of interest. Certain known conflicts and VIA's handling of such conflicts are disclosed below:

- VIA, indirectly through affiliates, may manage simultaneously parallel accounts in some cases with the same portfolio managers, with similar objectives, but with differing fees to VIA or affiliates. VIA's policy is to manage each account independently and fairly, and recognizes and seeks to control the conflicts of interests inherent in such practices.
- VIA's affiliate personnel who provide administrative services to VIA's clients also will have information about VIA clients' investments.
- Certain VIA officers have officer titles at other VIA affiliates.
- VIA serves as adviser to the Virtus Funds, which offer investors a selection of fixed income and equity funds. When appropriate, an affiliate of VIA may recommend investment in these affiliated funds.
- VIA has a policy of not purchasing securities issued by its parent company, Virtus, for the accounts of its advisory clients.

### Item 12 – Brokerage Practices

As a result of our business model, we generally delegate the vast majority of the brokerage and trading activity on behalf of our clients to affiliated and non-affiliated subadvisers. The subadvisers, subject to the supervision of VIA, determine the securities and other investments to be purchased, sold or entered into by a subadvised portfolio or a portion thereof; and place orders with brokers or dealers that they select. Each of our subadvisers (and our traders who are utilized when we do not engage a subadviser) are primarily responsible for seeking "best execution" when effecting transactions for our client accounts. Best execution refers to seeking the best overall terms for a client when affecting a trade. Factors generally considered in assessing best execution include, but are not limited to, the following: the breadth of the market in the security, price of the security, execution capability, and experience in dealing with the particular brokers and/or dealers.

We perform investment advisory services for various clients. We may give advice, and take action, with respect to any of those clients which may differ from the advice given, or the timing or nature of action taken, with respect to any one other account. When not employing services of a subadviser, VIA, to the extent practical and over a period of time, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly-situated client accounts.



To reduce transaction costs and promote trading efficiency, we may engage in inter-account transactions between certain client portfolios and/or portfolios managed by affiliates of VIA for which VIA shares traders and portfolio managers. VIA will only enter into inter-account transactions when determined to be in the best interests of all affected clients. Furthermore, such transactions will be consistent with Advisers Act and other applicable regulations including Rule 17a-7 of the Investment Company Act (to the extent that such transactions include mutual funds) or will be made only when permitted by the advisory account(s) affected.

### Item 13 – Review of Accounts

We provide discretionary investment advisory services to registered investment companies and UCITS. The offering documents for each of the aforementioned entities establish guidelines and restrictions with respect to investment strategies that include the types of securities to be bought and sold. We monitor our client portfolios for performance and compliance with applicable investment restrictions. In our capacity as manager of affiliated and unaffiliated subadvisers to the Virtus Equity Trust, Virtus Opportunities Trust, Virtus Global Multi-Sector Income Fund, Virtus Total Return Fund, Virtus Variable Insurance Trust and UCITS, we set the overall investment strategies; evaluate, select, and recommend to the Board of Trustees (or Directors as may be applicable) subadvisers needed to manage all or part of the assets within these series; monitor and evaluate the subadvisers' investment programs and results; and review the applicable account's compliance with the stated investment objectives policies and restrictions.

Generally, our representatives meet with the respective Fund Board of Trustees (or Directors as may be applicable) at least quarterly to review the performance and other account attributes.

#### **Error Correction**

Although we take all reasonable steps to avoid errors in our trading process, occasionally errors do occur. It is our policy that trade errors be identified and resolved promptly, and resolved in a manner consistent with our fiduciary duty to our clients. Consistent with this duty, the overriding goal in trade error resolution is to seek to place the client in the same position that the client would have been in had the error not occurred. There is no single method of calculating gains, losses or compensation due as a result of a trade error. We will determine the most appropriate calculation methodology on a case-by-case basis in light of the specific facts and circumstances of each trade error.

### Item 14 – Client Referrals and Other Compensation

VIA 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, VIA and its personnel may provide services to VIA's affiliates, and VIA 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, VIA has arrangements with VPD and Virtus International whereby VIA compensates those entities for referrals in certain circumstances. Such arrangements are commonly

referred to as “solicitation arrangements” and the persons or entities providing the solicitation services are commonly known as “solicitors.” The Investment Advisers Act of 1940, as amended, requires that when an affiliate acts as a solicitor for VIA such affiliate discloses to the potential client that the solicitor is affiliated with VIA. The compensation paid by VIA to VPD and Virtus International for these solicitation arrangements generally is structured as being all or a portion of any variable compensation paid by VPD or Virtus International to its employee(s) relating to assets under management by VIA that were referred by such employee(s), and in some cases the compensation also includes a percentage of VPD’s or Virtus International’s costs with respect to employment of the individual(s).

With respect to VIA’s management of UCITS funds, VIA or any of its affiliates providing management to such UCITS funds, at their discretion and where permitted by applicable law, can rebate part or all of the management fees charged to the UCITS funds to any UCITS fund shareholder or use part of such management fees to remunerate certain financial intermediaries of such UCITS funds for services provided to fund shareholders.

While VIA currently does not compensate any unaffiliated third parties for client referrals, VIA may have relationships with certain consulting firms and other intermediaries. For example, VIA may, from time to time, purchase products or services, such as investment manager performance data, from consulting firms. In compliance with applicable law and regulation, VIA or an affiliate from time to time may also pay event attendance or participation or other fees; underwrite educational, charitable or industry events; or provide gifts of value to, or at the request of, an organization or individual (including VIA affiliates) that, among other things: (i) offers or includes products or services of VIA or an affiliate in a particular program; (ii) permits VIA or an affiliate access to their financial advisers, brokers, employees, or other affiliated persons to provide training, marketing support, and educational presentations on products or services affiliated with VIA; and/or (iii) refers or has referred a client to VIA. VIA may obtain products and/or services from consulting firms separate and apart from any recommendations made to clients for VIA’s investment services, and also may provide cash or non-cash support for educational, training, marketing and other events sponsored by consulting firms and other intermediaries, subject to internal policies and regulatory restrictions. Additionally, certain affiliated or third party institutions provide financial support on a voluntary basis for marketing, educational, and sales meetings of VIA or affiliates. VIA also may, from time to time, pay a fee for inclusion of information about the firm in databases maintained by certain unaffiliated third-party data providers that in turn make such information available to their investment consultant clients. The payments and benefits described in this paragraph could give the firms receiving them and their personnel an incentive to favor VIA’s investment advisory services over those of firms that do not provide the same payments and benefits.

Additionally, VIA 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 VIA and its affiliates and/or their clients. Such arrangements or payments may establish contractual obligations on the part of such intermediary to provide VIA’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, VIA's or its affiliates' strategies or Virtus Funds to their clients in order to receive or continue to benefit from these arrangements from VIA or its affiliates. The provision of these services, arrangements and payments described above by VIA 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

VIA does not have custody of client assets.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we provide to you.

Comparing report will allow you to determine whether account transactions such as advisory fees are proper.

Our statements can vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

### Item 16 – Investment Discretion

Currently, we manage all of our clients' assets on a discretionary basis however from time to time we may accept new accounts on either a discretionary or non-discretionary basis.

Generally, in the absence of specific written instructions from a client, we will have complete discretion with respect to the accounts on non-investment company clients, without any limitations on our authority.

- When managing accounts on a discretionary basis, we have full authority to buy and sell securities without prior client approval under its investment advisory contracts. We exercise our investment discretion consistent with our investment policies, as well as with any investment guidelines or restrictions adopted by a client and accepted by VIA.
- When managing accounts on a non-discretionary basis, we perform our duties in accordance with the limitations described in the client contract.

VIA's decision to accept a new account or continue to manage an existing account will include consideration of the nature and extent of the instructions given by the respective client.

## **Class Actions**

Securities litigation can be a potential additional income source for individual investment portfolios that have had trade activity in a security that subsequently became the source of an organized class action lawsuit. We do not file for participation in class action settlements unless agreed to by client contract. With respect to our registered investment company clients, we or our subadviser will generally file for participation in class action settlements. We or our subadviser will generally retain a non-affiliated third party vendor to carry out the activities required for participation. The vendor determines the eligibility pertinent to the specific class action, files the claim as appropriate, monitors the class action and processes receipt of any settlement.

## **Item 17 – Voting Client Securities**

We handle proxies in a manner intended to benefit the underlying participants and beneficiaries, while using the care, skill and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the circumstances then prevailing.

When employing the services of a subadviser, we generally delegate to the subadviser, who may further delegate to a non-affiliated third-party vendor, the responsibility to review proxy proposals, make voting recommendations and cast votes.

Unless directed otherwise by our clients, our basic policies and procedures are as follows:

- We generally delegate, to a non-affiliated third party vendor, the responsibility to review proxy proposals and make voting recommendations on our behalf. We may vote a proxy contrary to the guidelines if we determine that such action is in the best interests of our clients.
- Conflicts of interests relating to proxy proposals are handled in various ways depending on the type and materiality. Generally, where the guidelines outline our voting position, as either "for" or "against" such proxy proposal, we vote in accordance with the guidelines. When the guidelines outline our voting position is to be determined on a "case by case" basis, or such proposal is not listed in the guidelines, then we will vote the proxy in accordance with the voting recommendation of a non-affiliated third party vendor, or vote the proxy pursuant to client direction. The method we select will depend upon the facts and circumstances of each situation and the requirements of applicable law.
- We do not vote proxies in certain situations or for certain accounts, such as: 1) when a client has retained the right to vote the proxy; 2) when the cost of voting is deemed to exceed any anticipated benefit to the client; 3) when a proxy is received for a client account that has been terminated; 4) when a proxy is received for a security no longer managed within the account (i.e. the entire position had previously been sold); and/or 5) when the exercise of voting rights could restrict the ability of the portfolio manager to freely trade the security.

VIA can occasionally be subject to conflicts of interest in the voting of proxies because of business or personal relationships it maintains with persons having an interest in the outcome of specific votes. VIA and its employees can also occasionally have business or personal relationships with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships. If, at



any time, the responsible voting parties become aware of any type of potential conflict of interest relating to a particular proxy proposal, they will promptly report such conflict to the Chief Compliance Officer. Conflicts of interest are handled in various ways depending on the type and materiality.

Inquiries regarding how a specific proxy proposal was voted or requests for a complete copy of VIA's current Proxy Voting Policies, Procedures and Guidelines can be obtained by sending a written request to Virtus Investment Advisers, Inc., Attn: Corporate Compliance, One Financial Plaza, Hartford, Connecticut 06103 or emailing us at: [InvestmentAdviser@virtus.com](mailto:InvestmentAdviser@virtus.com).

### Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. VIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. VIA does not require or solicit prepayment of advisory fees six months or more in advance. VIA does not act as custodian for any client account. VIA has not been the subject of a bankruptcy proceeding.