



Form ADV, Part 2A Firm Brochure

Item 1 – Cover Page

Virtus Investment Advisers, Inc.
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March 31, 2021

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. 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.

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.

This Brochure is not: an offer or agreement to provide advisory services to any person; an offer to sell interests (or a solicitation of an offer to purchase interests) in any investment company that we advise; or a complete discussion of the features, risks, or conflicts associated with any advisory service or investment company. Persons who receive this publicly available Brochure should be aware that it is designed solely to provide information responsive to certain disclosure obligations under the Investment Advisers Act of 1940, as amended (“Advisers Act”). More complete information about the Virtus family of funds and VIA’s advisory services is included in the relevant account or investment company documents. To the extent that there is any conflict between discussions herein and similar or related discussions in such documents, the relevant investment company or account documents shall govern and control. You should read this Brochure and those other documents carefully and consult with tax, legal, and financial advisors before making any investment decision.

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 31st. 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. Additional information about VIA is also available from the SEC’s web site at: 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 25, 2020:

- Item 4: We updated the amount of our assets under management and the descriptions of our advisory business to include changes to our product offerings including those related to the recently completed strategic partnership between Allianz Global Investors U.S. LLC (“AllianzGI”) and Virtus Investment Partners, Inc. (“Virtus”).
- Item 5: We updated the descriptions of our fees and compensation to include the changes to our product offerings.
- Item 8: We updated the descriptions of the principal risks and the description of the methods of analysis to describe our role as a “manager of managers” and our oversight of subadvisers to our client portfolios.
- Item 10: We updated the description of other financial industry activities and affiliations to include changes to such activities and affiliates.
- Item 12: We updated the description of our brokerage practices to describe certain trading practices including but not limited to descriptions of soft dollar programs and commission sharing arrangements.
- Item 13: We updated the descriptions of our account review process to explain how account reviews occur for our expanded product offerings.
- Item 17: We updated the description of voting client securities to describe our (and our subadvisers’) methodologies and certain conditions under which we may abstain from voting client securities and/or make investment-related elections on behalf of some or all of VIA’s clients.
- Appendix A: Our Privacy Policy (notice) was added as an appendix to this Brochure.

Item 3 – 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	9
Item 6 – Performance-Based Fees and Side-By-Side Management	11
Item 7 – Types of Clients.....	12
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Item 9 – Disciplinary Information	48
Item 10 – Other Financial Industry Activities and Affiliations	48
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	50
Item 12 – Brokerage Practices	54
Item 13 – Review of Accounts.....	56
Item 14 – Client Referrals and Other Compensation.....	57
Item 15 – Custody.....	58
Item 16 – Investment Discretion.....	58
Item 17 – Voting Client Securities.....	59
Item 18 – Financial Information	61
APPENDIX A: PRIVACY POLICY	62



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 open-end and closed-end 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.

On February 1, 2021, Virtus announced the completion of the actions necessary to finalize its previously announced strategic partnership with AllianzGI. The strategic partnership further leverages Virtus’s multi-boutique model with the addition of NFJ Investment Group, now an affiliated manager of Virtus, and expands the scope of Virtus’s investment offerings for U.S. retail clients. Fund shareholder or client approvals were received for certain Virtus affiliates to become the investment adviser, distributor and/or administrator of AllianzGI’s retail products. In connection with this, VIA became the investment adviser to certain open-end and closed-end investment companies.

Assets under management

The total regulatory assets under management of VIA, as of February 1, 2021, amounted to \$64,567,000,000 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 and we do not have the ultimate authority to decide what is bought and sold or the timing of such transactions.

Sub-advisory Relationships

All of our assets under management are delegated to affiliated and unaffiliated investment advisers pursuant to delegation or sub-advisory agreements (“subadvisers”); thus, VIA is considered a “manager of managers.” **As a result, throughout this Brochure, reference to services provided by VIA should be read to include services provided by a subadviser or service provider to which VIA has delegated authority in connection with its advisory services.**



VIA's subadvisers will change from time to time but as of the date of this Brochure, they are as follows:

Affiliated Subadvisers

- Duff & Phelps Investment Management Co.
- Kayne Anderson Rudnick Investment Management, LLC
- Newfleet Asset Management, LLC
- NFJ Investment Group, LLC ("NFJ")
- Sustainable Growth Advisers, LP ("SGA")

Unaffiliated Subadvisers

- Allianz Global Investors U.S. LLC
- Vontobel Asset Management, Inc.

Advisory Services – Mutual Funds

VIA provides investment advisory services to the following open-end funds of the Virtus Investment Trust, Virtus Strategy Trust, Virtus Equity Trust, Virtus Opportunities Trust, and the Virtus Variable Insurance Trust, which are affiliated trusts registered under the Investment Company Act of 1940, as amended ("1940 Act"):

Virtus Investment Trust ("VIT")

- Virtus NFJ Dividend Value Fund
- Virtus AllianzGI Emerging Markets Opportunities Fund
- Virtus AllianzGI Focused Growth Fund
- Virtus AllianzGI Global Small-Cap Fund
- Virtus AllianzGI Health Sciences Fund
- Virtus AllianzGI Income & Growth Fund
- Virtus NFJ International Value Fund
- Virtus NFJ Large-Cap Value Fund
- Virtus AllianzGI Mid-Cap Growth Fund
- Virtus NFJ Mid-Cap Value Fund
- Virtus AllianzGI Small-Cap Fund
- Virtus NFJ Small-Cap Value Fund
- Virtus AllianzGI Technology Fund

Virtus Strategy Trust ("VST")

- Virtus AllianzGI Convertible Fund
- Virtus AllianzGI Core Plus Bond Fund
- Virtus AllianzGI Emerging Markets Consumer Fund
- Virtus NFJ Emerging Markets Value Fund
- Virtus AllianzGI Global Allocation Fund
- Virtus AllianzGI Global Dynamic Allocation Fund
- Virtus AllianzGI Global Sustainability Fund

- Virtus AllianzGI High Yield Bond Fund
- Virtus AllianzGI International Small-Cap Fund
- Virtus AllianzGI Preferred Securities and Income Fund
- Virtus AllianzGI Short Duration High Income Fund
- Virtus AllianzGI Water Fund

Virtus Equity Trust (“VET”)

- Virtus KAR Capital Growth Fund
- Virtus KAR Equity Income Fund
- Virtus KAR Global Quality Dividend Fund
- Virtus KAR Mid-Cap Core Fund
- Virtus KAR Mid-Cap Growth Fund
- Virtus KAR Small-Cap Core Fund
- Virtus KAR Small-Cap Growth Fund
- Virtus KAR Small-Cap Value Fund
- Virtus KAR Small-Mid Cap Core Fund
- Virtus KAR Small-Mid Cap Growth Fund
- Virtus SGA Emerging Markets Growth Fund
- Virtus SGA Global Growth Fund
- Virtus SGA New Leaders Growth Fund
- Virtus Tactical Allocation Fund

Virtus Opportunities Trust (“VOT”)

- Virtus Duff & Phelps Global Infrastructure Fund
- Virtus Duff & Phelps Global Real Estate Securities Fund
- Virtus Duff & Phelps International Real Estate Securities Fund
- Virtus Duff & Phelps Real Asset Fund
- Virtus Duff & Phelps Real Estate Securities Fund
- Virtus KAR Emerging Markets Small-Cap Fund
- Virtus KAR International Small-Cap Fund
- Virtus KAR International Small-Mid Cap Fund
- Newfleet Core Plus Bond Fund
- Newfleet High Yield Fund
- Virtus Newfleet Low Duration Core Plus Bond Fund
- Virtus Newfleet Multi-Sector Intermediate Bond Fund
- Virtus Newfleet Multi-Sector Short Term Bond Fund
- Virtus Newfleet Senior Floating Rate Fund
- Virtus Newfleet Tax-Exempt Bond Fund
- Virtus Vontobel Emerging Markets Opportunities Fund
- Virtus Vontobel Foreign Opportunities Fund
- Virtus Vontobel Global Opportunities Fund
- Virtus Vontobel Greater European Opportunities Fund

Virtus Variable Insurance Trust (“VVIT”)

- Virtus Duff & Phelps Real Estate Securities Series
- Virtus KAR Capital Growth Series
- Virtus KAR Equity Income Series
- Virtus KAR Small-Cap Growth Series
- Virtus KAR Small-Cap Value Series
- Virtus Newfleet Multi-Sector Intermediate Bond Series
- Virtus SGA International Growth Series
- Virtus Strategic Allocation Series

VIA provides investment advisory services to the following closed-end funds registered under the Investment Company Act of 1940, as amended (“1940 Act”):

Closed-End Funds (“CEFs”)

- Virtus AllianzGI Artificial Intelligence & Technology Fund Inc. (AIO)*
- Virtus AllianzGI Convertible & Income 2024 Target Term Fund (CBH)
- Virtus AllianzGI Convertible & Income Fund (NCV)
- Virtus AllianzGI Convertible & Income Fund II (NCZ)
- Virtus AllianzGI Diversified Income & Convertible Fund (ACV)
- Virtus AllianzGI Equity & Convertible Income Fund (NIE)
- Virtus Dividend, Interest & Premium Strategy Fund (NFJ)
- Virtus Total Return Fund, Inc. (ZTR)
- Virtus Global Multi-Sector Income Fund (VGI)

** AIO became a VIA client as of February 26, 2021 and is therefore not included in regulatory assets under management as of February 1, 2021.*

Advisory Services – UCITS

We serve as the promoter and investment manager of the following open-end investment companies of the Virtus Global Funds plc and Virtus GF Global Growth Fund (ICAV), (collectively referred to herein as the “Virtus Global Funds”) 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, pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011:

Virtus Global Funds plc

- Virtus GF Global Small Cap Fund
- Virtus GF Multi-Sector Income Fund
- Virtus GF Multi-Sector Short Duration Bond Fund
- Virtus GF Select High Yield Fund
- Virtus GF U.S. Small Cap Focus Fund

Virtus GF Global Growth Fund ICAV

- Virtus GF SGA Global Growth Fund

Reliance Upon Certain Exemptive Orders, Regulatory Provisions and Investment Management Agreements

In managing the assets of our advisory clients who are registered investment companies and UCITS, 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 and UCITS’ portfolio. Under this structure, VIA is responsible for the oversight of the Funds’ and UCITS’ 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 sub-advisory agreements; monitoring the subadvisers’ compliance with the Funds’ and UCITS’ respective investment objectives, policies and restrictions; setting overall investment strategies of each Fund and UCITS; and providing certain other oversight activities. In some cases, we employ multiple subadvisers for one or more of the Funds and UCITS 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 and UCITS allocated to each of them.

Investment management services are provided in accordance with any written investment advisory contracts and specific investment guidelines delivered by the client. VIA may agree to reasonable restrictions placed on VIA’s investment discretion by clients. Guidelines provided by clients 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. Client guidelines may also include social restrictions or those that prohibit us from buying specific companies. Investment guidelines and restrictions must be provided to VIA in writing, and may impact performance.

Types of investments

VIA, subject to client-imposed restrictions and guidelines, 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 (including convertible debt), bank loans, certificates of deposit, municipal debt, 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.

VIA cannot guarantee or assure our clients that their investment objectives will be achieved. VIA does not guarantee the future performance of any client's account or any specific level of performance, the success of any investment decision or strategy, or the success of VIA's overall management of any account. VIA's investment recommendations are subject to various market, currency, economic, political and business risks, and the risk that investment decisions will not always be profitable. Many of these risks are discussed in "Item 8. Methods of Analysis, Investment Strategies and Risk of Loss" below, which you should review carefully before deciding to engage VIA's services.

Item 5 – Fees and Compensation

This section describes our basic fee schedule. VIA reserves the right to negotiate all fees and annual minimums based on individual client considerations, including but not limited to, number and frequency of reports and client meetings, individual security investments versus common or collective funds or mutual funds, investment guidelines and restrictions, and account size. 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 a client's written agreement with VIA. VIA typically charges its clients a fixed percentage fee per annum for investment advice based on the market value of the assets under management. 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).

When VIA uses an affiliated or unaffiliated subadviser in providing advisory services, clients will not incur any increase in advisory or other fees as a result of such sub-advisory arrangement. VIA generally shares its fees with the entity providing sub-advisory services to VIA.

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.

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.

Advisory Fees – Registered Investment Companies (Funds)

The fee charged to registered investment company clients 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 1.25% 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.

Advisory Fees – UCITS

We serve as the promoter and investment manager of the Virtus Global Funds, 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.

Compensation from the Sale of Securities

VIA’s supervised persons and related registered sales personnel typically market VIA investment capabilities to various prospects and intermediaries either directly or indirectly through Funds and UCITS advised by VIA.

Certain of VIA’s supervised persons and related registered sales personnel also may be associated with VP Distributors, LLC, an affiliated broker-dealer, and in that capacity may engage in marketing or selling activities with respect to shares or interests in Funds advised by VIA. (See “Item 10. Other Financial Industry Activities and Affiliations” for more information about other financial industry activities and affiliations.) The Funds and UCITS pay an investment management or administrative fee to VIA. In addition, fees are paid to one or more broker-dealers receiving sales commissions or distribution fees including 12b-1 fees, loads or contingent deferred sales charges payable by VIA or an affiliate, the Funds or their respective investors.



Certain VIA supervised persons and related registered sales personnel may be compensated by VIA for successful marketing or selling activities with respect to shares or interests in Funds or UCITS advised by VIA. Certain VIA supervised persons and related registered sales personnel do not receive transaction-based compensation.

Custody Fees

Funds and UCITS will bear expenses associated with custody of the respective Funds' assets. VFA does not select account custodians on behalf of clients or serve as the custodian of client account assets. The custodian appointed by the client may charge custody and other fees that are in addition to the advisory fees payable to VFA.

Other Fees Incurred by Our Clients

Subject to client imposed restrictions if any, VIA (or generally its subadvisers) may invest or recommend investment in open-end and closed-end registered investment companies, exchange traded funds ("ETFs") and other pooled investment vehicles. When VIA (or generally its subadvisers) invests client assets in these investment vehicles, unless otherwise agreed and where permitted by applicable law, the client may bear its proportionate share of fees and expenses as an investor in the investment vehicle in addition to VIA's investment advisory fees. The investment vehicle's prospectus, offering documents or other disclosure documents contain a description of its fees and expenses.

In addition, subject to any limitations provided by the investment management agreement, VIA (or generally its subadvisers) may invest client assets or recommend that clients invest in shares or other interests in certain open-end and closed-end registered investment companies and ETFs to which VIA or its related persons (or its subadvisers) provide investment advice or other services, and from which VIA and its affiliates (and VIA's subadvisers and their affiliates) receive advisory, administrative and/or distribution fees. In the case of the foregoing, whereby client assets are invested in an affiliated fund, VIA may, depending on the arrangement with the client and any legal requirements, waive investment advisory fees on the assets invested in such investment company, credit the account for the fees paid by the Fund to VIA's related persons, avoid or limit the payment of duplicative fees to VIA and its related persons through other means, or charge fees both at the investment company level and separate account level. To the extent that fees and expenses incurred with respect to any fund purchased for the client's account are in addition to certain of the expenses covered by the VIA's investment management fee, VIA and its affiliates can receive additional economic benefit when a client account is invested in such fund, and a conflict of interest can exist.

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. VIA anticipates that such client relationships and arrangements will also pay a base fee calculated on the market value of the assets under management. We will enter into performance-based fee arrangements

with only qualified clients in accordance 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. VIA has 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 an investment adviser’s the simultaneous management of various client types in the same investment products. VIA manages accounts for various client types such as mutual funds and UCITS within the same strategy, which may present conflicts of interest. Due to different client investment objectives and strategies, clients should be aware that VIA can 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. VIA has 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 information barriers.

Item 7 – Types of Clients

VIA provides investment services and manages investment advisory accounts for certain open-end and closed-end registered investment companies (Funds) 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 may establish guidelines and restrictions.

When providing advisory services to any of the foregoing we generally employ affiliated and unaffiliated subadvisers (some of whom also provide sub-advisory services to our affiliates, VFA, VAIA and VEA for other portfolios) pursuant to written sub-advisory agreements that govern the provision of services to the client. Thus, VIA is considered a “manager of managers.”

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.

Shareholders in Funds and UCITS are not deemed to be advisory clients of VIA.

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

The following are broad descriptions of the methods of analysis and investment strategies offered by VIA and implemented by our subadvisers. It should be noted that investing in securities involves risk of loss that clients should be prepared to bear.

Methods of Analysis and Investment Process

All of our assets under management are delegated to affiliated or unaffiliated investment advisers under sub-advisory agreements; descriptions of strategies and investment processes used in managing such assets can generally be found in the respective subadviser's Form ADV Part 2A and Part 2B Brochure.

VIA selects and employs subadvisers to implement investment management programs for each client account, consistent with stated objectives. The subadvisers, subject to the VIA's supervision, are responsible for the day-to-day management of the respective portfolio. In this respect, the subadvisers determine which securities to purchase and sell, consistent with the stated objectives of each client account and investment guidelines agreed upon by the subadviser and VIA, or any additional client-imposed restrictions provided to and accepted by VIA in writing.

In its role as a manager of managers, VIA's primary functions include developing new investment products, identifying and appointing investment managers (and/or making recommendations thereof, such as is the case for our Fund and UCITS clients) and monitoring those managers, who are generally appointed as subadvisers on an on-going basis. Subsequent to appointment, VIA monitors subadviser performance and in that capacity can terminate or replace (and/or make recommendations to terminate or replace) subadvisers for our registered investment company and UCITS clients. Depending upon the requirements of our client agreement, VIA (or its service providers), generally performs one or more of the following: monitors the compliance of the subadviser with the investment objectives and related policies of our client accounts; monitors significant changes that may impact the subadviser's overall business and regularly performs reviews of the subadviser; and/or other will perform other activities as required by our client agreement.

Pursuant to applicable exemptive orders from the SEC, VIA, subject to VOT, VET, VIT, VVIT, VST or CEF Board approval, is permitted to appoint a new subadviser for certain Funds, or change the terms of applicable sub-advisory agreements.

Investment Oversight and Governance

Virtus's product governance framework provides additional oversight tools for VIA with the goal of offering and maintaining quality, high-performing strategies that meet multiple investment needs. In particular, Virtus maintains a Product Management Committee ("PMC") responsible for assessing new product ideas and approving product modifications, a dedicated Product Management group with day-to-day oversight responsibilities, and an Investment Oversight Committee ("IOC") responsible for overseeing investment performance and product quality.



The PMC is a cross-functional governance support group that evaluates product actions from an investment, compliance, operational, distribution and legal perspective. As part of its investment oversight, Virtus proactively and regularly reviews the overall VIA product line for any recommended changes. Resulting product development and management initiatives, which may include proposed product launches, modifications, mergers, liquidations, adoptions, fee reductions and subadviser changes, are reviewed and assessed by the PMC.

Virtus's Product Management group provides the critical oversight function for VIA and its strategies. Product managers review and monitor investment strategy performance on an ongoing basis. Individual product managers are assigned to each of the subadvisers and conduct regular dialogue, visits, telephonic meetings therewith and complete detailed assessments of each strategy.

The results of these assessments are reported to the Investment Oversight Committee ("IOC"), which maintains the primary oversight responsibility for investment performance.

On a quarterly basis, the IOC reviews the performance, style consistency, and discipline with which the investment managers apply their investment processes and identifies any strategies that are exhibiting persistent underperformance or results that are inconsistent with expectations. The results of the IOC review, can result in certain strategies being placed on the review or management monitor list, or ultimate recommendations for subadviser replacement.

During the initial subadviser selection process, VIA Compliance evaluates each subadviser's regulatory compliance structure. Each subadviser is expected to have a compliance infrastructure and policies and procedures that are reasonably designed to prevent violations of securities laws and to promptly identify any potential violations and is also expected to have a protocol for pre- and post-trade portfolio guideline restriction testing.

Subsequent to subadviser appointment, VIA Compliance will generally conduct reviews and perform periodic forensic testing in the following manner.

VIA Compliance periodically (generally annually) meets with representatives of its subadvisers and complete compliance reviews, including key compliance matters.

Each subadviser completes a quarterly subadviser compliance oversight questionnaire and information request covering a variety of compliance and operations matters. The information request provides a framework for VIA's quarterly compliance review and assessment of subadvisers.

VIA Compliance performs forensic testing of compliance with portfolio restrictions, applicable regulations and procedures as part of its compliance program and oversight of subadvisers. The forensic tests may be conducted by analysis of reports and data developed by VIA or provided by affiliated or unaffiliated service providers or by monitoring reports provided by a mutual fund's sub-administrator and other mutual fund service providers. Forensic tests are generally conducted on a daily, monthly, quarterly or annual frequency depending on the type of test.



With respect to its oversight of affiliated subadvisers, VIA utilizes information and reporting processes managed by Virtus Corporate Compliance and the Virtus Compliance Committee. Representatives of VIA Compliance also meet with the compliance personnel of VIA's affiliated subadvisers to conduct periodic and annual compliance reviews, and as needed to discuss specific matters.

In connection with the strategic partnership entered into by AllianzGI and Virtus (described in "Item 4. Advisory Business"), certain processes described throughout this Item 8., above were performed by different teams within Virtus using approaches tailored to the circumstances of the overall due diligence involved with the formation of the overall strategic partnership. Prospectively, oversight of AllianzGI and NFJ will use the approaches generally described above for unaffiliated and affiliated subadvisers, respectively.

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.

For investments in any registered investment company and UCITS, please also refer to the prospectus, offering memoranda or other governing document that provides a more detailed discussion of strategies and risks.

Risk of Loss

All of our assets under management are delegated to affiliated and unaffiliated advisers under sub-advisory agreements. Clients or prospective clients should refer to the applicable subadviser's Form ADV Part 2A to reference risks related to specific strategies. With respect to registered investment companies and UCITS, clients and prospective clients should refer to the respective offering documents.

Depending on your strategy, guidelines and the type of security, your account may face the following investment risks:

Your account may be subject to additional risks other than those described below because the types of investments in your account can change over time.

Affiliated Funds

The Fund's adviser or subadviser has the authority to select and substitute affiliated and/or unaffiliated mutual funds or exchange-traded funds ("Underlying Funds"), which may create a conflict of interest if the adviser or subadviser, and/or their affiliate, receives fees from affiliated funds, some of which pay such party(ies) more than others. However, as a fiduciary to the fund the adviser or subadviser is obligated to act in the Fund's best interest when selecting Underlying Funds.

Allocation

A Fund's investment performance depends, in part, upon how its assets are allocated and reallocated by VIA and/or its subadviser. If the Fund's exposure to equities and fixed income securities, or to other asset classes, deviates from the VIA's and/or its subadviser's intended allocation, or if the Fund's allocation is not optimal for market conditions at a given time, the Fund's performance may suffer. In addition, to the extent portfolio managers consider environmental, social and corporate governance ("ESG") factors as part of their investment strategy, there can be no guarantee that the portfolio managers' consideration of such factors or efforts to select investments based on ESG factors will be successful or produce the desired results. To the extent the portfolio managers employ quantitative models, whether proprietary or maintained by third parties, there can be no assurance that such models will behave as expected in all market conditions, including due to deviations between expected and actual relationships among variables. Any imperfections, errors, or limitations in such models could affect a fund's performance. By necessity, such models make simplifying assumptions that limit their effectiveness. In addition, the computer programming used to construct, or the data employed by, quantitative models may contain errors, which may cause losses for the Fund or reduce performance. In the event third-party models become increasingly costly or unavailable, the portfolio managers may be forced to rely on proprietary models or to reduce or discontinue their use of quantitative models. The Funds are also subject to the risk that deficiencies in the operational systems or controls of the subadviser or another service provider will cause losses for the Funds or hinder Fund operations. For example, trading delays or errors (both human and systemic) could prevent a Fund from purchasing a security expected to appreciate in value. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to the subadviser and each individual portfolio manager in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives. To the extent portfolio managers employ strategies that are not correlated to broader markets, or that are intended to seek returns under a variety of market conditions (such as managed volatility strategies), a Fund may outperform the general securities market during periods of flat or negative market performance, and underperform the securities market during periods of strong market performance. To the extent that a Fund invests significantly in one or more mutual funds or exchange-traded funds ("Underlying Funds"), its investment performance will depend upon how its assets are allocated and reallocated among particular Underlying Funds and other investments. A Fund that invests significantly in one or more Underlying Funds is subject to allocation risk, which is the risk that the subadviser will make less than optimal or poor asset allocation decisions and/or that the subadviser will make less than optimal or poor decisions in selecting the Underlying Funds and other investments in which each Fund invests. The subadviser attempts to identify asset classes and sub-classes, and Underlying Funds and/or other means of obtaining exposure to such asset classes, and other investments that will provide consistent, quality performance for each Fund, but there is no guarantee that the subadviser's allocation techniques will produce the desired results. It is possible that the subadviser will focus on Underlying Funds and other investments that perform poorly or underperform other available Funds under various market conditions.

Bank Loans

Investing in loans (including floating rate loans, loan assignments, loan participations and other loan instruments) carries certain risks in addition to the risks typically associated with high-yield/high-risk fixed income securities. Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and sometimes trade infrequently on the secondary market. In the event a borrower defaults, a Fund's or UCITS' access to the collateral may be limited or delayed by bankruptcy or other insolvency laws. There is a risk that the value of the collateral securing the loan may decline after a Fund or UCITS

invests and that the collateral may not be sufficient to cover the amount owed to the Fund or UCITS. If the loan is unsecured, there is no specific collateral on which the Fund or UCITS can foreclose. In addition, if a secured loan is foreclosed, a Fund or UCITS may bear the costs and liabilities associated with owning and disposing of the collateral, including the risk that collateral may be difficult to sell.

Transactions in many loans settle on a delayed basis. As a result, sale proceeds related to the sale of loans may not be available to make additional investments or to meet the Fund's or UCITS' redemption obligations until potentially a substantial period of time after the sale of the loans. No active trading market may exist for some loans, which may impact the ability of the Fund or UCITS to realize full value in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded loans. Loans also may be subject to restrictions on resale, which can delay the sale and adversely impact the sale price. Difficulty in selling a loan can result in a loss. Loans made to finance highly leveraged corporate acquisitions may be especially vulnerable to adverse changes in economic or market conditions. Certain loans may not be considered "securities," and purchasers, such as a Fund or UCITS, therefore may not be entitled to rely on the strong anti-fraud protections of the federal securities laws. With loan participations, a Fund or UCITS may not be able to control the exercise of any remedies that the lender would have under the loan and likely would not have any rights against the borrower directly, so that delays and expense may be greater than those that would be involved if a Fund or UCITS could enforce its rights directly against the borrower.

China-Related Risk

The Chinese economy is generally considered an emerging and volatile market. Although China has experienced a relatively stable political environment in recent years, there is no guarantee that such stability will be maintained in the future. As an emerging market, many factors may affect such stability such as increasing gaps between the rich and poor or agrarian unrest and instability of existing political structures and may result in adverse consequences to a Fund investing in securities and instruments economically tied to China. A small number of companies represent a large portion of the Chinese market as a whole, and prices for securities of these companies may be very sensitive to adverse political, economic, or regulatory developments in China and other Asian countries, and may experience significant losses in such conditions. The value of Chinese currencies may also vary significantly relative to the U.S. dollar, affecting a Fund's investments, to the extent the Fund invests in China-related investments.

Historically, China's central government has exercised substantial control over the Chinese economy through administrative regulation, state ownership, the allocation, expropriation or nationalization of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. The emergence of domestic economic demand is still at an early stage, making China's economic health largely dependent upon exports. China's growing trade surplus with the U.S. has increased the risk of trade disputes. For example, recent developments in relations between the U.S. and China have heightened concerns of increased tariffs and restrictions on trade between the two countries. An increase in tariffs or trade restrictions, or even the threat of such developments, could lead to a significant reduction in international trade, which could have a negative impact on China's, or others countries', export industry and a commensurately negative impact on a Fund that invests in securities and instruments that are economically tied to China. In addition, as China's economic and political strength has grown in recent

years, it has shown a greater willingness to assert itself militarily in the region. Military or diplomatic moves to resolve any issues could adversely affect the economies in the region.

Despite economic reforms that have resulted in less direct central and local government control over Chinese businesses, actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. These activities, which may include central planning, partial state ownership of or government actions designed to substantially influence certain Chinese industries, market sectors or particular Chinese companies, may adversely affect the public and private sector companies in which a Fund invests. Government actions may also affect the economic prospects for, and the market prices and liquidity of, the securities of Chinese companies and the payments of dividends and interest by Chinese companies. In addition, currency fluctuations, monetary policies, competition, social instability or political unrest may adversely affect economic growth in China. The Chinese economy and Chinese companies may also be adversely affected by regional security threats, as well as adverse developments in Chinese trade policies, or in trade policies toward China by countries that are trading partners with China. The economies, industries, and securities and currency markets of the China region may also be adversely affected by slow economic activity worldwide, dependence on exports and international trade, increasing competition from Asia's other low-cost emerging economies, and environmental events and natural disasters that may occur in China.

In addition, the relationship between China and Taiwan is particularly sensitive, and hostilities between China and Taiwan may present a risk to a Fund's investments in China.

Commodity and Commodity-linked Instruments

Investments by a Fund in commodities or commodity-linked instruments may subject the Fund's portfolio to greater volatility than investments in traditional securities. The value of commodity-linked instruments may be affected by overall market movements, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Individual commodity prices can fluctuate widely over short time periods. Commodity investments typically do not have dividends or income and are dependent on price movements to generate returns. Commodity price movements can deviate from equity and fixed income price movements. The means by which the Fund seeks exposure to commodities, both directly and indirectly through derivatives, may be limited by the Fund's intention to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended.

A Fund's investments in commodity-linked derivative instruments may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Certain types of commodities instruments (such as commodity-linked notes) are subject to the risk that the counterparty to the instrument will not perform or will be unable to perform in accordance with the terms of the instrument. Exposure to commodities and commodities markets may subject the Fund to greater volatility than investments in traditional securities. No active trading market may exist for certain commodities investments, which may impair the ability of the Fund to sell or to realize the full value of such investments in the event of the need to liquidate such investments. In addition, adverse market conditions may impair the liquidity of actively traded commodities investments.

Commodities may include, among other things, oil, gas, coal, alternative energy, steel, timber, agricultural products, minerals, precious metals (e.g., gold, silver, platinum, and palladium) and other resources. In addition, the Funds may invest in companies principally engaged in the commodities industries (such as mining, dealing or transportation companies) with significant exposure to commodities markets or investments in commodities, and through these investments may be exposed to the risks of investing in commodities. In order to qualify for certain special U.S. federal income tax treatment accorded regulated investment companies and their shareholders, a Fund must, among other things, derive at least 90% of its income from certain specified sources (such income, “qualifying income”). Income from certain commodity-linked investments does not constitute qualifying income to a Fund for this purpose. The tax treatment of certain other commodity-linked investments is not certain, in particular with respect to whether income and gains from such investments constitute qualifying income. If such income were determined not to constitute qualifying income and were to cause a Fund’s non-qualifying income to exceed 10% of the Fund’s gross income for any year, the Fund would fail the 90% gross income test and fail to qualify as a regulated investment company unless it were eligible to and did pay a tax at the Fund level. A Fund’s intention to so qualify can therefore limit the manner in or extent to which the Fund seeks exposure to commodities.

Collateralized Debt Obligations

Collateralized Debt Obligations (“CDOs”) are securitized interests in pools of assets. Assets called collateral usually comprise loans or debt instruments. A CDO may be called a collateralized loan obligation (“CLO”) or collateralized bond obligation (“CBO”) if it holds only loans or bonds, respectively. Investors bear the credit risk of the collateral. Multiple tranches of securities are issued by the CDO, offering investors various maturity and credit risk characteristics. Tranches are categorized as senior, mezzanine, and subordinated/equity, according to their degree of credit risk. Senior and mezzanine tranches are typically rated, with the former receiving ratings of A to AAA/Aaa and the latter receiving ratings of B to BBB/Baa. The ratings reflect both the credit quality of underlying collateral as well as how much protection a given tranche is afforded by tranches that are subordinate to it.

Confidential Information Access Risk

In managing Funds that may invest in privately placed instruments, subadvisers will normally will seek to avoid the receipt by the portfolio managers and analysts of material, non-public information (“Confidential Information”) about the issuers of such instruments (which may include senior loans, other bank loans and related investments), because such issuers may have or later issue publicly traded securities. In many instances, issuers offer to furnish Confidential Information to prospective purchasers or holders of the issuer’s loans. In circumstances when the subadvisers’ portfolio managers and analysts do not receive Confidential Information from these issuers, a Fund may be disadvantaged in comparison to other bank loan investors, including with respect to the price the Fund pays or receives when it buys or sells a bank loan. Further, in situations when a Fund is asked, for example, to grant consents, waivers or amendments with respect to bank loans, the subadvisers’ ability to assess the desirability of such consents, waivers and amendments may be compromised. For these and other reasons, it is possible that a subadviser’s decision not to receive Confidential Information under normal circumstances could adversely affect a Fund’s investment performance.

Notwithstanding its intention not to receive Confidential Information with respect to its management of investments in loans and privately placed instruments generally, the subadvisers may from time to time

come into possession of confidential information about issuers whose securities may be held in a Fund's portfolio. Possession of such information may in some instances occur despite a subadviser's efforts to avoid such possession, but in other instances a subadviser may choose to receive such information (for example, in connection with participation in a creditors' committee with respect to a financially distressed issuer). As, and to the extent, required by applicable law, the subadvisers' ability to trade in these securities for the account of a Fund could potentially be limited by its possession of such information. Such limitation on the subadvisers' ability to trade could have an adverse effect on a Fund by, for example, preventing the Fund from selling a loan that is experiencing a material decline in value. In some instances, these trading restrictions could continue in effect for a substantial period of time.

Contingent Convertible Securities

Contingent convertible securities ("CoCos") have no stated maturity, have full discretionary coupons and are typically issued in the form of subordinated debt instruments. CoCos generally or contingent capital securities are a form of hybrid security that are intended to either convert into equity or have their principal written down upon the occurrence of certain triggering events ("triggers") linked to regulatory capital thresholds or regulatory actions relating to the issuer's continued viability. As a result, an investment by a Fund in CoCos is subject to the risk that coupon (i.e., interest) payments may be cancelled by the issuer or a regulatory authority in order to help the issuer absorb losses. An investment by a Fund in CoCos is also subject to the risk that, in the event of the liquidation, dissolution or winding-up of an issuer prior to a trigger event, the Fund's rights and claims will generally rank junior to the claims of holders of the issuer's other debt obligations. In addition, if CoCos held by a Fund are converted into the issuer's underlying equity securities following a trigger event, the Fund's holding may be further subordinated due to the conversion from a debt to equity instrument. Further, the value of an investment in CoCos is unpredictable and will be influenced by many factors and risks, including interest rate risk, credit risk, market risk and liquidity risk. An investment by a Fund in CoCos may result in losses to the Fund.

Convertible Securities

Convertible securities are bonds, debentures, notes, preferred stock, rights, warrants or other securities that may be converted into or exchanged for a prescribed amount of common stock or other security of the same or a different issuer or into cash within a particular period of time at a specified price or formula. A convertible security generally entitles the holder to receive interest paid or accrued on debt instruments or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. If a convertible security is called for redemption, the respective Fund may have to redeem the security, convert it into common stock or sell it to a third party at a price and time that is not beneficial for the Fund. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. The Funds may also invest in synthetic convertible securities, which involve the combination of separate securities that possess the two principal characteristics of a traditional convertible security (i.e., an income-producing component and a right to acquire an equity security). Synthetic convertible securities are often achieved, in part, through investments in warrants or options to buy common stock (or options on a stock index), and therefore are subject to the risks associated with derivatives.

Securities convertible into common stocks may have higher yields than common stocks but lower yields than comparable nonconvertible securities.

Counterparty Risk

When a Fund engages in investment techniques in which it relies on another party to consummate the transaction, the Fund is subject to the risk of default by the other party. To the extent that a Fund enters into multiple transactions with a single or limited number of counterparties, the Fund will be subject to increased levels of counterparty risk.

A Fund is also subject to the risk that a counterparty to a derivatives contract, repurchase agreement, a loan of portfolio securities or an unsettled transaction may be unable or unwilling to make timely settlement payments or otherwise honor its obligations to the Fund. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the Fund could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for the Fund. In addition, transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared ("cleared swaps"). For over-the-counter swaps, there is a risk that the other party to certain of these instruments will not perform its obligations to the Funds or that a Fund may be unable to enter into offsetting positions to terminate its exposure or liquidate its position under certain of these instruments when it wishes to do so. Such occurrences could result in losses to such Fund. For cleared swaps, a Fund's counterparty is a clearinghouse rather than a bank or broker. In cleared swaps, such Fund makes payments (including margin payments) to and receives payments from a clearinghouse through its account at clearing members. Clearing members guarantee performance of their clients' obligations to the clearinghouse. Counterparty risk may be pronounced during unusually adverse market conditions and may be particularly acute in environments in which financial services firms are exposed to systemic risks of the type evidenced by the 2008 insolvency of Lehman Brothers and subsequent market disruptions. See "Derivatives Risk" below.

Debt Instruments Risks

Debt instruments are subject to various risks, the most prominent of which are credit risk and interest rate risk. These risks can affect an instrument's price volatility to varying degrees, depending upon the nature of the instrument. Risks associated with investing in debt instruments include the following:

- *Credit Risk.* There is a 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. Securities are subject to varying degrees of credit risk, which are often reflected in their credit ratings and a Fund holding a fixed income security is subject to the risk that the security's credit rating will be downgraded. Securities issued by the U.S. Treasury historically have presented minimal credit risk. However, at least one major rating agency downgraded the long-term U.S. credit rating in 2011 due to the rising public debt burden and perception of greater policymaking uncertainty in the U.S. and have introduced greater uncertainty about the ability of the U.S. to repay its obligations. A further credit rating downgrade or a U.S. credit default could decrease the value and increase the volatility of the Fund's investments, to the extent that the Fund has exposure to securities issued by the U.S. Treasury. Debt instruments rated below investment-grade are especially susceptible to this risk.
- *Interest Rate Risk.* The values of debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. Changes in a

debt instrument's value usually will not affect the amount of interest income paid to a Fund, but will affect the value of the Fund's shares. Interest rate risk is generally greater for investments with longer maturities.

Certain instruments pay interest at variable or floating rates. Variable rate instruments reset at specified intervals, while floating rate instruments reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the effect of changes in market interest rates on the value of the instrument. However, some instruments do not track the underlying index directly, but reset based on formulas that can produce an effect similar to leveraging; others may also provide for interest payments that vary inversely with market rates. The market prices of these instruments may fluctuate significantly when interest rates change.

To the extent that a Fund effectively has short positions with respect to fixed income instruments, the values of such short positions would generally be expected to rise when nominal interest rates rise and to decline when nominal interest rates decline. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate.

Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore it might not benefit from any increase in value as a result of declining interest rates.

Actions by governmental entities may also impact certain instruments in which the Funds invest. For example, certain instruments in which the Funds may invest rely in some fashion upon LIBOR. LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. On November 30, 2020, the administrator of LIBOR announced a delay in the phase out of a majority of the U.S. dollar LIBOR publications until June 30, 2023, with the remainder of LIBOR publications to still end at the end of 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on the Funds or on certain instruments in which the Funds invest are not known. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, particularly insofar as the documentation governing such instruments does not include "fall back" provisions addressing the transition from LIBOR. With respect to most LIBOR-based instruments in which the Fund may invest, the pricing and other terms governing the adoption of any successor rate are expected to limit or eliminate the direct effect of the transition to a successor rate on the value of such instruments. However, uncertainty and volatility arising from the transition may result in a reduction in the value of certain LIBOR-based instruments held by the Funds or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Funds.

- *Limited Voting Rights Risk.* Debt instruments typically do not provide any voting rights, except in cases when interest payments have not been made and the issuer is in default.

- *Liquidity Risk.* Certain debt instruments may be substantially less liquid than many other securities, such as U.S. Government securities or common stocks. Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing a Fund from purchasing or selling such illiquid securities at an advantageous time or price, or possibly requiring a Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations or possibly delaying the redemption of Fund shares. Funds with principal investment strategies that involve securities of companies with smaller market capitalizations, non-U.S. securities, Rule 144A securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer.

The SEC has adopted Rule 22e-4 under the 1940 Act, which requires each open-end Fund to adopt a liquidity risk management program to assess and manage its liquidity risk. Under its program, a Fund will be required to classify its investments into specific liquidity categories and monitor compliance with limits on investments in illiquid securities. While the liquidity risk management program attempts to assess and manage liquidity risk, there is no guarantee it will be effective in its operations and may not reduce the liquidity risk inherent in a Fund's investments.

- *Long-Term Maturities/Durations Risk.* Fixed income instruments with longer maturities or durations may be subject to greater price fluctuations due to interest rate, tax law, and general market changes than instruments with shorter maturities or durations.
- *Prepayment/Call Risk.* There is a risk that issuers will prepay fixed rate obligations when interest rates fall. A Fund holding callable instruments therefore may be forced to reinvest in obligations with lower interest rates than the original obligations and otherwise may not benefit fully from the increase in value that other fixed income investments experience when rates decline.
- *Redemption Risk.* Debt instruments sometimes contain provisions that allow for redemption in the event of tax or security law changes, in addition to call features at the option of the issuer. In the event of a redemption, a Fund may not be able to reinvest the proceeds at comparable rates of return.

Default Risk

Certain Funds may hold defaulted investments that may involve special considerations including bankruptcy proceedings, other regulatory and legal restrictions affecting the Fund's ability to trade, and the availability of prices from independent pricing services or dealer quotations. Defaulted investments are often illiquid and may not be actively traded. Sale of investments in bankrupt companies at an acceptable price may be difficult and differences compared to the value of the securities used by the Funds could be material. A Fund may incur additional expenses to the extent it is required to seek recovery upon a portfolio investment's default in the payment of principal or interest. In any bankruptcy proceeding related to a defaulted investment, a Fund may lose its entire investment or may be required to accept cash or securities with a value substantially less than its original investment.

Depositary Receipts Risk

Certain Funds and UCITS may invest in American Depositary Receipts (ADRs) sponsored by U.S. banks, European Depositary Receipts (EDRs), Global Depositary Receipts (GDRs), ADRs not sponsored by

U.S. banks, other types of depositary receipts (including non-voting depositary receipts), and other similar instruments representing securities of foreign companies. Although certain depositary receipts may reduce or eliminate some of the risks associated with foreign investing, these types of securities generally are subject to many of the same risks as direct investment in securities of foreign issuers.

Derivatives Risk

Derivative transactions are contracts whose value is derived from the value of an underlying asset, index or rate, including futures, options, non-deliverable forwards, forward foreign currency exchange contracts and swap agreements. A Fund may use derivatives to hedge against factors that affect the value of its investments, such as interest rates and foreign currency exchange rates. A Fund may also utilize derivatives as part of its overall investment technique to gain or lessen exposure to various securities, markets, volatility, dividend payments and currencies.

Derivatives typically involve greater risks than traditional investments. It is generally more difficult to ascertain the risk of, and to properly value, derivative contracts. Many derivatives, and particularly those that are privately negotiated, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. Derivatives are usually less liquid than traditional securities and are subject to counterparty risk (the risk that the other party to the contract will default or otherwise not be able to perform its contractual obligations). In addition, some derivatives transactions may involve potentially unlimited losses.

As a seller of a credit default swap, a Fund effectively adds economic leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. Additionally, holding a position in a credit default swap could result in losses if the Fund does not correctly evaluate the creditworthiness of the company on which the credit default swap is based. To the extent a Fund writes call options on individual securities that it does not hold in its portfolio (i.e., "naked" call options), it is subject to the risk that a liquid market for the underlying security may not exist at the time an option is exercised or when the Fund otherwise seeks to close out an option position. Naked call options have speculative characteristics and the potential for unlimited loss.

Derivative contracts entered into for hedging purposes may also subject a Fund to losses if the contracts do not correlate with the assets, indexes or rates they were designed to hedge. Gains and losses derived from hedging transactions are, therefore, more dependent upon the subadviser's ability to correctly predict the movement of the underlying asset prices, indexes or rates. In regard to currency hedging using forward contracts, it is generally not possible to precisely match the foreign currency exposure of such foreign currency forward contracts to the value of the securities involved due to fluctuations in the market values of such securities and cash flows into and out of the Fund between the date a foreign currency forward contract is entered into and the date it expires.

As an investment company registered with the SEC, each Fund is required to identify on its books (often referred to as "asset segregation") liquid assets, or engage in other SEC-approved measures, to "cover" open positions with respect to certain kinds of derivative instruments. If a Fund investing in such instruments has insufficient cash to meet such requirements, it may have to sell other investments, including at disadvantageous times.



Governments, agencies and/or other regulatory bodies may adopt or change laws or regulations that could adversely affect a Fund's ability to invest in derivatives as the Fund's subadviser intends. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), among other things, grants the Commodity Futures Trading Commission (the "CFTC") and SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the over-the-counter ("OTC") derivatives market. The implementation of the Dodd-Frank Act could adversely affect a Fund by placing limits on derivative transactions, and/ or increasing transaction and/or regulatory compliance costs. For example, the CFTC has recently adopted new rules that will apply a new aggregation standard for position limit purposes, which may further limit a Fund's ability to trade futures contracts and swaps.

There are also special tax rules applicable to certain types of derivatives, which could affect the amount, timing and character of a Fund's income or loss and hence of its distributions to shareholders by causing holding period adjustments, converting short-term capital losses into long-term capital losses, and accelerating a Fund's income or deferring its losses. A Fund's use of derivatives may also increase the amount of taxes payable by shareholders or the resources required by the Fund; or its adviser and/or subadviser(s) to comply with other portfolio restrictions limits.

Under recently adopted rules and regulations, transactions in some types of swaps (including interest rate swaps and credit default swaps on North American and European indices) are required to be centrally cleared. In a cleared derivatives transaction, a Fund's counterparty is a clearing house, rather than a bank or broker. Since the Funds are not members of clearing houses and only members of a clearing house can participate directly in the clearing house, the Funds will hold cleared derivatives through accounts at clearing members. In cleared derivatives transactions, the Funds will make payments (including margin payments) to and receive payments from a clearing house through their accounts at clearing members. Clearing members guarantee performance of their clients' obligations to the clearing house.

In October 2020, the Securities and Exchange Commission (the "SEC") adopted new Rule 18f-4 under the 1940 Act ("Rule 18f-4") providing for the regulation of a registered investment company's use of derivatives and certain related instruments. Among other things, Rule 18f-4 limits a Fund's derivatives exposure through a value-at-risk ("VaR") test and requires the adoption and implementation of a derivatives risk management program for certain derivatives users. In connection with the adoption of Rule 18f-4, the SEC also eliminated the asset segregation framework arising from prior SEC guidance for covering derivatives and certain financial instruments. Compliance with Rule 18f-4 will not be required until August 2022. When a Fund comes into compliance, the Fund's treatment of investments or trading practices that involve contractual obligations to pay in the future will change. Most such investments or trading practices will be considered to be derivatives under Rule 18f-4, and will therefore be subject to the VaR test set forth in the rule. The approach to asset segregation and coverage requirements will also be impacted. For certain investments, such as reverse repurchase agreements and similar financing transactions, a Fund will have the option to either treat them as (1) senior securities under Section 18 of the 1940 Act, in which case they would be subject to the 300% asset coverage requirement described above, or (2) derivatives subject to the VaR test imposed by Rule 18f-4. Rule 18f-4 could restrict a Fund's ability to engage in certain derivatives transactions and/or increase the costs of such derivatives transactions, which could adversely affect the value or performance of the Fund.

Centrally cleared derivative arrangements may be less favorable to mutual Funds than bilateral arrangements. For example, the Funds may be required to provide greater amounts of margin for cleared derivatives transactions than for bilateral derivatives transactions. Also, in contrast to bilateral derivatives transactions, following a period of notice to a Fund, a clearing member generally can require termination of existing cleared derivatives transactions at any time or increases in margin requirements above the margin that the clearing member required at the beginning of a transaction. Clearing houses also have broad rights to increase margin requirements for existing transactions or to terminate transactions at any time. In addition, derivatives that are centrally cleared are subject to the credit risk of the clearing house and the member of the clearing house through which a Fund holds its cleared position. If a Fund's counterparty or the relevant clearing house or clearing member were to default, the Fund could lose a portion or all of the collateral held by the counterparty, clearing house, or clearing member on its behalf, or could suffer extended delays in recovering that collateral.

Equity Securities Risks

Generally, prices of equity securities are more volatile than those of fixed income securities. Equity securities may take the form of shares of common stock of a corporation, membership interests in a limited liability company, limited partnership interests, or other forms of ownership interests. Equity securities also include, among other things, preferred stocks, convertible securities and warrants. The prices of equity securities will rise and fall in response to a number of different factors. In particular, equity securities will respond to events that affect entire financial markets or industries (such as changes in inflation or consumer demand) and to events that affect particular issuers (such as news about the success or failure of a new product). Equity securities also are subject to "stock market risk," meaning that stock prices in general may decline over short or extended periods of time. When the value of the stocks held by a Fund or UCITS goes down, the value of the Fund's shares will be affected. Dividend paying companies may underperform companies without a history of paying dividends. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. The following risks are associated with investing in equity securities and increase the risks of volatility and/or loss to the Fund or UCITS:

- *Growth Stocks Risk.* Growth stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. Growth stocks also tend to be more expensive relative to their earnings or assets compared to other types of stocks, and as a result they tend to be sensitive to changes in their earnings than other types of stocks.
- *Large Market Capitalization Companies Risk.* The value of investments in larger companies may not rise as much as investments in smaller companies, and larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.
- *Small and Medium Market Capitalization Companies Risk.* Small and medium-sized companies often have narrower markets, fewer products or services to offer, and more limited managerial and financial resources than larger, more established companies. As a result, the performance of small and medium-sized companies may be more volatile, and they may face a greater risk of business failure.

- *Small Market Capitalization Companies Risk.* Small companies often have narrower markets, fewer products or services to offer, and more limited managerial and financial resources than larger, more established companies. As a result, the performance of small companies may be more volatile, and they may face a greater risk of business failure.
- *Value Stocks Risk.* A company may be undervalued due to market or economic conditions, temporary earnings declines, unfavorable developments affecting the company and other factors, or because it is associated with a market sector that generally is out of favor with investors. Undervalued stocks tend to be inexpensive relative to their earnings or assets compared to other types of stock. However, these stocks can continue to be inexpensive for long periods of time and may not realize their full economic value.

ESG Risk

A Fund's consideration of ESG factors could cause it to perform differently compared to Funds that do not have such considerations. In addition, there is a risk that the companies identified by the ESG factors do not operate as expected when addressing ESG issues.

Even if a Fund does not have an objective of sustainable investing, the subadviser may consider ESG factors in its evaluation of potential investments for the Fund's portfolio. Some subadvisers may consider such factors as integrated with evaluating the financial risks and rewards of a given investment, while other subadvisers may consider such factors as distinct from other factors and may decide to invest or not invest in particular assets based upon ESG factors alone. A subadviser's consideration of ESG factors could cause the Fund to perform differently compared to Funds that do not have such considerations. The consideration of ESG factors may result in the Fund's forgoing opportunities to buy or sell certain investments when it might otherwise be advantageous to do so. In addition, there is a risk that the companies identified by the ESG factors do not operate as expected when addressing ESG issues. There are significant differences in interpretations of what it means for a company to have positive ESG factors. While the Funds' subadvisers believe their definitions are reasonable, the portfolio decisions they make may differ with other investors' or investment managers' views.

Exchange-Traded Funds (ETFs)

ETFs invest in a portfolio of securities designed to track a particular market segment or index. The risks associated with investing in ETFs generally reflect the risks of owning shares of the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. Assets invested in ETFs incur a layering of expenses, including operating costs and advisory fees that Fund shareholders indirectly bear; such expenses may exceed the expenses the Fund would incur if it invested directly in the underlying portfolio of securities the ETF is designed to track. Shares of ETFs trade on a securities exchange and may trade at, above, or below their net asset value. The extent to which the investment performance and risks associated with a Fund correlate to those of a particular ETF will depend upon the extent to which the portfolio's assets are allocated from time to time for investment in the ETF, which will vary.

Focused Investing Risks

Focusing Fund investments in a small number of issuers, industries, foreign currencies or regions increases risk. Funds that are "non-diversified" because they may invest a significant portion of their assets in a relatively small number of issuers may have more risk because changes in the value of a single security or the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on the Fund's NAV. Similarly, certain underlying bond Funds may have more risk because they may invest a substantial portion of their assets in bonds of similar projects or from issuers of the same status. Some of those issuers also may present substantial credit or other risks. Diversified Funds that invest in a relatively small number of issuers are subject to similar risks. In addition, the Funds may be subject to increased risk to the extent they focus their investments in securities denominated in a particular foreign currency or in a narrowly defined geographic area, for example, regional economic risks relating to weather emergencies and natural disasters. Similarly, a Fund that focuses its investments in a certain type of issuer is particularly vulnerable to events affecting such type of issuer. Also, a Fund may have greater risk to the extent it invests a substantial portion of its assets in a group of related industries (or "sectors"). The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly defined geographic area outside the United States may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments. Funds may be subject to increased risk to the extent they allocate assets among investment styles and certain styles underperform relative to other investment styles. Furthermore, certain issuers, industries and regions may be adversely affected by the impacts of climate change on the demand for and the development of goods and services and related production costs, and the impacts of legislation, regulation and international accords related to climate change, as well as any indirect consequences of regulation or business trends driven by climate change. Funds that focus investments of their assets in a particular industry or group of related industries are subject, and have heightened exposure, to the risks factors particular to each such industry.

When a Fund invests in mutual funds or exchange-traded funds ("Underlying Funds"), certain Underlying Funds may have more risk because they have a particular geographic or sector focus. An Underlying Fund that holds or obtains exposure to a particular geography, such as Europe or the Far East, may be affected by economic, regulatory or political developments affecting issuers in that geography. Similarly, Underlying Funds that focus their investments in companies that have exposure, directly or indirectly, to a particular sector, such as the eco-sectors or water-related sectors, will be impacted more by events or factors affecting those sectors than if their portfolios were more diversified among a number of unrelated sectors and industries. To the extent that a Fund concentrates a significant portion of its assets in a single Underlying Fund, it will be particularly sensitive to the risks associated with that Underlying Fund and any investments in which that Underlying Fund concentrates.

The following additional risks are associated with Focused Investing:

- *Geographic Concentration Risk.* The value of the investments of 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, and conditions that negatively impact that location will have a greater impact on the Fund as compared with a Fund

that does not have its holdings similarly concentrated. Events negatively affecting such location are therefore likely to cause the value of the Fund's shares to decrease, perhaps significantly.

- *Industry/Sector Concentration Risk.* The value of the investments of a Fund that focuses its investments in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact on the Fund as compared with a Fund that does not have its holdings similarly concentrated. Events negatively affecting the industries or market sectors in which a Fund has invested are therefore likely to cause the value of the Fund's shares to decrease, perhaps significantly.
- *Limited Number of Investments.* There is a risk that a Fund's portfolio may be more susceptible to factors adversely affecting issuers of securities in the Fund's portfolio than would a Fund holding a greater number of securities.
- *Sector Focused Investing.* The value of the investments of a Fund that focuses its investments in a particular market sector will be highly sensitive to financial, economic, political and other developments affecting that market sector, and conditions that negatively impact that market sector will have a greater impact on the Fund as compared with a Fund that does not have its holdings similarly focused. Events negatively affecting the market sectors in which a Fund has invested are therefore likely to cause the value of the Fund's shares to decrease, perhaps significantly.
- *Health Sciences-Related Risks.* Funds that focus their investments in the health sciences-related sector will be subject to risks particular to that sector, including rapid obsolescence of products and services, the potential and actual performance of a limited number of products and services, technological change, patent expirations, risks associated with new regulations and changes to existing regulations, changes in government subsidy and reimbursement levels, risks associated with the governmental approval process, and chances of lawsuits versus health sciences-related companies due to product or service liability issues.
- *Technology-Related Risks.* Funds that make significant investments in the technology sectors will be subject to risks particularly affecting technology or technology-related companies, such as the risks of short product cycles and rapid obsolescence of products and services, competition from new and existing companies, significant losses and/or limited earnings, security price volatility, limited operating histories and management experience, and patent and other intellectual property considerations.

Foreign Investing / Non-U.S. Securities (Including Emerging Markets) Risks

Investing in securities of non-U.S. companies involves special risks and considerations not typically associated with investing in U.S. companies, and the values of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions where the issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies, and to changes in currency exchange rates.

Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country. In the event of nationalization, expropriation or other confiscation, a Fund or UCITS could lose its entire investment in non-U.S. securities.

In general, less information is publicly available about non-U.S. companies than about U.S. companies. Non-U.S. companies are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. In addition, a Fund's or UCITS' investments in non-U.S. securities may be subject to withholding and other taxes imposed by countries outside the U.S., which could reduce the return on an investment in a Fund or UCITS. Certain foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk.

The following risks are associated with investing in non-U.S. companies and increase the risks of volatility and/or loss to the Fund or UCITS:

- *Currency Rate Risk.* Because the foreign securities in which a Fund or UCITS invests changes in interest rates, intervention (or the failure to intervene) by U.S. or non-U.S. governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. Because the value of each Fund's or UCITS' shares is calculated in U.S. dollars, it is possible for a Fund or UCITS to lose money by investing in a foreign security if the local currency of a foreign market depreciates against the U.S. dollar, even if the local currency value of the Fund's or UCITS' holdings goes up. Generally, a strong U.S. dollar relative to such other currencies will adversely affect the value of the Fund's or UCITS' holdings in foreign securities. The local emerging market currencies in which a Fund or UCITS may be invested from time to time may experience substantially greater volatility against the U.S. dollar than the major convertible currencies of developed countries.
- *Emerging Market Risk.* The risks of foreign investments are generally greater in countries whose markets are still developing than they are in more developed markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable than those of more developed countries. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. They may also have policies that restrict investment by foreigners, or that prevent foreign investors from withdrawing their money at will. Certain emerging markets may also face other significant internal or external risks, including the risk of war and civil unrest. Emerging market securities may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause a Fund or UCITS to miss attractive investment opportunities, hold a portion of its assets in cash pending investment, or be delayed in disposing of a portfolio security, all of which would negatively affect the Fund's or UCITS' performance.

Funds or UCITS may also be subject to Emerging Markets Risk if they invest in derivatives or other securities or instruments whose value or returns are related to the value or returns of emerging market securities.

The Funds or UCITS may invest in some emerging markets through trading structures or protocols that subject them to risks such as those associated with illiquidity, custodial assets, different settlement and clearance procedures and asserting legal title under a developing legal and regulatory regime to a greater degree than in developed markets or even in other emerging markets. For example, some of the Funds or UCITS may invest in certain eligible Chinese securities (“China A Shares”) listed and traded on either the Shanghai Stock Exchange (“SSE”) or the Shenzhen Stock Exchange (“SZSE”). Such Funds or UCITS expect to access China A Shares through the Shanghai-Hong Kong Stock Connect Program or the Shenzhen-Hong Kong Stock Connect Program (each, a “Stock Connect”). The Shanghai Stock Connect is a securities trading and clearing program developed by the Hong Kong Stock Exchange (“SEHK”), SSE, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited for the establishment of mutual market access between SEHK and SSE that commenced operations in November 2014. The Shenzhen Stock Connect subsequently commenced operations in December 2016. The Stock Connect programs are subject to regulations promulgated by regulatory authorities for both SSE, SZSE and SEHK, as applicable, and further regulations or restrictions, such as trading suspensions, may adversely affect the Stock Connects and the value of the China A Shares held by the Funds or UCITS. There is no guarantee that the systems required to operate each Stock Connect will function properly or will continue to be adapted to changes and developments in the applicable markets or that the relevant exchanges will continue to support the Stock Connects in the future. In the event that the relevant systems do not function properly, trading through a Stock Connect program could be disrupted. While Stock Connect is not subject to individual investment quotas, daily and aggregate investment quotas apply to the aggregate volume on each Stock Connect, which may restrict or preclude a Fund’s or UCITS’ ability to invest in Stock Connect securities or to enter into or exit trades on a timely basis. In addition, Stock Connect securities generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with each program’s rules, which may further subject the Funds or UCITS to liquidity risk with respect to China A Shares. A Fund or UCITS may be restricted in its ability to dispose of its China A Shares purchased through a Stock Connect in a timely manner. As an example, the Shanghai Stock Connect is generally available only on business days when both the SEHK and SSE are open. When either the SEHK or SSE is closed, a Fund or UCITS will not be able to trade Stock Connect securities at a time that may otherwise be beneficial to trade. Additionally, the SSE or SZSE may be open at a time when the Stock Connect program is not trading, with the result that prices of China A Shares may fluctuate at times when a Fund or UCITS is unable to add to or exit its position. Because of the way in which China A Shares are held in Stock Connect, a Fund or UCITS may not be able to exercise the rights of a shareholder and may be limited in its ability to pursue claims against the issuer of a security, and may suffer losses in the event the depository of the SSE or SZSE becomes insolvent. Only certain China A Shares are eligible to be accessed through the Stock Connect program. Such securities may lose their eligibility at any time, in which case they presumably could be sold but could no longer be purchased through the Stock Connect program.

Because the Stock Connect program is new, the actual effect on the market for trading China A Shares with the introduction of large numbers of foreign investors is unknown. Investments in China A Shares may not be covered by the securities investor protection programs of either exchange and, without the protection of such programs, will be subject to the risk of default by the broker. The limitations and risks described above with respect to each Stock Connect are specific to the applicable program; however, these and other risks may exist to varying degrees in connection with the Funds' or UCITS' investments through other trading structures, protocols and platforms in other emerging markets.

For all of these reasons, investments in emerging markets may be considered speculative. To the extent that a Fund or UCITS invests a significant portion of its assets in a particular emerging market, the Fund or UCITS will be more vulnerable to financial, economic, political and other developments in that country, and conditions that negatively impact that country will have a greater impact on the Fund or UCITS as compared with a Fund or UCITS that does not have its holdings concentrated in a particular country.

- *Equity-Linked Instruments Risk.* Equity-linked instruments are instruments of various types issued by financial institutions or special purpose entities located in foreign countries to provide the synthetic economic performance of a referenced equity security, including benefits from dividends and other corporate actions, but without certain rights of direct investment in the referenced securities, such as voting rights. In addition to the market and other risks of the referenced equity security, equity-linked instruments involve counterparty risk, which includes the risk that the issuing entity may not be able to honor its financial commitment. Equity-linked instruments have no guaranteed return of principal and may experience a return different from the referenced equity security. Typically, a Fund will invest in equity-linked instruments in order to obtain exposure to certain countries in which it does not have local accounts.
- *Foreign Currency Transactions Risk.* A Fund may engage in foreign currency transactions, including foreign currency forward contracts, options, swaps and other similar strategic transactions. These transactions may be for the purposes of hedging or efficient portfolio management, or may be for investment purposes, and they may be exchange traded or traded directly with market counterparties. Such transactions may not prove successful or may have the effect of limiting gains from favorable markets movements.

Subject to the respective portfolio investment restrictions, a Fund may use derivatives to acquire positions in various currencies, which presents the risk that the Fund could lose money on its exposure to a particular currency and also lose money on the derivative. A Fund also may take positions in currencies that do not correlate to the currency exposure presented by the Fund's other investments. As a result, the Fund's currency exposure may differ, in some cases significantly, from the currency exposure of its other investments and/or its benchmarks.

- *Frontier Market Risk.* Frontier market countries generally have smaller economies and less developed capital markets or legal, regulatory and political systems than traditional emerging market countries. As a result, the risks of investing in emerging market countries are magnified in

frontier market countries. The magnification of risks is the result of: (1) the potential for extreme price volatility and illiquidity in frontier markets; (2) government ownership or control of parts of the private sector or other protectionist measures; (3) large currency fluctuations; (4) fewer companies and investment opportunities; or (5) inadequate investor protections and regulatory enforcement. In certain frontier market countries, fraud and corruption may be more prevalent than in developed market countries. Investments that a fund holds may be exposed to these risks, which could have a negative impact on their value. Additional risks of frontier market securities may include: greater political instability (including the risk of war or natural disaster); increased risk of nationalization, expropriation, or other confiscation of assets of issuers to which a fund is exposed; increased risk of embargoes or economic sanctions on a country, sector or issuer; greater risk of default (by both government and private issuers); more substantial governmental involvement in the economy; less governmental supervision and regulation; differences in, or lack of, auditing and financial reporting standards, which may result in unavailability of material information about issuers; less developed legal systems; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; slower clearance and settlement; difficulties in obtaining and/or enforcing legal judgments; and significantly smaller market capitalizations of issuers.

Fund of Funds Risk

Each Fund may invest in other mutual funds, including exchange-traded funds (ETFs). See "Exchange-traded Funds (ETFs)" above. Achieving the Fund's objective will depend on the performance of the underlying mutual funds, which depends on the particular securities in which the underlying mutual funds invest. Indirectly, the Fund is subject to all risks associated with the underlying mutual funds. Since the Fund's performance depends on that of each underlying mutual fund, it may be subject to increased volatility.

Assets invested in other mutual funds incur a layering of expenses, including operating costs, advisory fees and administrative fees that shareholders in the Fund, indirectly bear. Such fees and expenses may exceed the fees and expense the Fund would have incurred if it invested in the underlying fund's assets directly. As the underlying funds or the Fund's allocations among the underlying funds change from time to time, or to the extent that the expense ratio of the underlying funds changes, the weighted average operating expenses borne by the Fund may increase or decrease. If the Fund invests in closed-end funds, it may incur added expenses such as additional management fees and trading costs and additional risks associated with trading at a discount to NAV and use of leverage.

The underlying funds may change their investment objective or policies without the approval of the Fund, and the Fund might be forced to withdraw its investment from the underlying fund at a time that is unfavorable to the Fund.

Each underlying fund may be subject to risks other than those described because the types of investments made by an underlying fund can change over time. For further description of the risks associated with the underlying funds, please consult the underlying funds' prospectus.

High-Yield Fixed Income Securities

Securities rated below the four highest rating categories of a nationally recognized statistical rating organization, may be known as “high-yield” securities and commonly referred to as “junk bonds”. The highest of the ratings among these nationally recognized statistical rating organizations is used to determine the security’s classification. Such securities entail greater price volatility and credit and interest rate risk than investment-grade securities. Analysis of the creditworthiness of high-yield/high-risk issuers is more complex than for higher-rated securities, making it more difficult for a Fund’s subadviser to accurately predict risk. There is a greater risk with high-yield/high-risk fixed income securities that an issuer will not be able to make principal and interest payments when due. If a Fund pursues missed payments, there is a risk that Fund expenses could increase. In addition, lower-rated securities may not trade as often and may be less liquid than higher-rated securities, especially during periods of economic uncertainty or change. As a result of all of these factors, these bonds are generally considered to be speculative.

Income Risk

The income shareholders receive from a Fund is based primarily on the dividends and interest the Fund earns from its investments, which can vary widely over the short- and long-term. If prevailing market interest rates drop, distribution rates of the Fund’s preferred stock holdings and any bond holdings could drop as well. The Fund’s income also would likely be affected adversely when prevailing short-term interest rates increase. In certain circumstances, a Fund may be treated as receiving income even though no cash is received. A Fund may not be able to pay distributions, or may have to reduce distribution levels, if the cash distributions that the Fund receives from its investments decline. For investments in inflation-protected treasuries (TIPS), income may decline due to a decline in inflation (or deflation) or due to changes in inflation expectations.

Inflation-Linked Investments

The current market value of inflation-protected securities is not guaranteed and will fluctuate. Inflation-protected securities may react differently from other fixed income securities to changes in interest rates. Because interest rates on inflation-protected securities are adjusted for inflation, the values of these securities are not materially affected by inflation expectations. Therefore, the value of inflation-protected securities are anticipated to change in response to changes in “real” interest rates, which represent nominal (stated) interest rates reduced by the expected impact of inflation. Generally, the value of an inflation-protected security will fall when real interest rates rise and will rise when real interest rates fall.

Because the interest and/or principal payments on an inflation-protected security are adjusted periodically for changes in inflation, the income distributed by a Fund invested in such securities may be irregular. Although the U.S. Treasury guarantees to pay at least the original face value of any inflation-protected securities the Treasury issues, other issuers may not offer the same guarantee. Also, inflation-protected securities, including those issued by the U.S. Treasury, are not protected against deflation. As a result, in a period of deflation, the inflation-protected securities held by a Fund may not pay any income and the Fund may suffer a loss. While inflation-protected securities are expected to be protected from long-term inflationary trends, short-term increases in inflation may lead to a decline in a Fund’s value. If interest rates rise due to reasons other than inflation, a Fund’s investment in these securities may not be protected to the extent that the increase is not reflected in the securities’ inflation measures. In addition, positive

adjustments to principal generally will result in taxable income to a Fund at the time of such adjustments (which generally would be distributed by the Fund as part of its taxable dividends), even though the principal amount is not paid until maturity. There can be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A Fund's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different from the rate of the inflation index.

Infrastructure-Related Risk

Infrastructure-related entities are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards.

Initial Public Offerings ("IPOs")

A Fund may acquire common and preferred stock of issuers in an initial public offering ("IPO"). Investment returns from IPOs may be highly volatile and subject to varying patterns of trading volume, and these securities may at times be difficult to sell. In addition, information about the issuers of IPO securities is often difficult to obtain since they are new to the market and may not have lengthy operating histories. From time to time, a Fund may purchase stock in an IPO and then immediately sell the stock. This practice will increase portfolio turnover rates and increase costs to the Fund, affect Fund performance, and may increase capital gain distributions, resulting in greater tax liability to the Fund's shareholders. At any particular time or from time to time, a Fund may not be able to invest in securities issued in IPOs, or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the Fund. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. Similarly, as the number of Funds to which IPO securities are allocated increases, the number of securities issued to any one Fund may decrease. The investment performance of a Fund during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when the Fund is able to do so. In addition, as a Fund increases in size, the impact of IPOs on the Fund's performance will generally decrease.

Issuer Risk

The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services as well as the historical and prospective earnings of the issuer and the value of its assets.

Leverage

When a Fund makes investments in futures contracts, forward contracts, swaps and other derivative instruments, the futures contracts, forward contracts, swaps and certain other derivatives provide the

economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. When a Fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a when-issued basis, or purchasing derivative instruments in an effort to increase its returns, the Fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The value of the shares of a Fund employing leverage will be more volatile and sensitive to market movements. The use of leverage may cause a Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements. Certain types of leveraging transactions, such as short sales that are not "against the box," could theoretically be subject to unlimited losses in cases where a Fund, for any reason, is unable to close out the transaction. In addition, to the extent a Fund borrows money, interest costs on such borrowings may not be recovered by any appreciation of the securities purchased with the borrowed amounts and could exceed the Fund's investment returns, resulting in greater losses. Leverage may also involve the creation of a liability that requires the Fund to pay interest.

Limited Term Risk

Virtus AllianzGI Artificial Intelligence & Technology Opportunities Fund Inc. (NYSE: AIO) and Virtus AllianzGI Convertible & Income 2024 Target Term Fund (NYSE: CBH) are exposed to limited term risk. The Funds have a limited term feature, pursuant to which they intend to terminate on or about their respective dissolution dates as described in their reports to shareholders. Because the assets of the Funds will be liquidated in connection with the dissolution, the Funds will incur transaction costs in connection with the dispositions of portfolio securities. The Funds may be required to sell portfolio securities when they otherwise would not, including at times when market conditions are not favorable, or at times when a particular security has entered default, which may cause the Funds to lose money. Moreover, in conducting such portfolio transactions, the Funds may need to deviate from its investment policies and may not achieve its investment objective.

Liquidity Risk

Certain securities in which the Fund invests may be difficult to sell at the time and price beneficial to the Fund or UCITS, for example due to low trading volumes or legal restrictions. When there is no willing buyer or a security cannot be readily sold, the Fund may have to sell at a lower price or may be unable to sell the security at all. The sale of such securities may also require the Fund or UCITS to incur expenses in addition to those normally associated with the sale of a security.

In addition to this, certain shareholders, including affiliates of a Fund's or UCITS' investment adviser and/or subadviser(s), may from time to time own or control a significant percentage of the Fund's or UCITS' shares. Redemptions by these shareholders of their shares of the Fund or UCITS may increase the Fund's or UCITS liquidity risk by causing the Fund or UCITS to have to sell securities at an unfavorable time and/or price.

Long-Term Maturities/Durations Risk

Fixed income instruments with longer maturities or durations may be subject to greater price fluctuations due to interest rate, tax law, and general market changes than instruments with shorter maturities or durations.

Market Volatility

The value of the securities in which the Fund invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Such price changes may be temporary or may last for extended periods.

During a general downturn in securities markets, multiple asset classes may decline in value simultaneously. Instability in the financial markets has exposed each Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments that it holds. In response to financial markets that experienced extreme volatility, and in some cases a lack of liquidity, the U.S. Government and other governments have taken a number of unprecedented actions, including acquiring distressed assets from financial institutions and acquiring ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear. Additional legislation or government regulation may also change the way in which Funds themselves are regulated, which could limit or preclude a Fund's ability to achieve its investment objective.

Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Fund and its investments, including hampering the ability of the Fund's portfolio manager(s) to invest the Fund's assets as intended.

The wars in Iraq and Afghanistan had a substantial effect on the economies and securities markets of the U.S. and other countries. Terrorism in the U.S. and around the world has had a similar global impact and has increased geopolitical risk. The terrorist attacks on September 11, 2001 resulted in the closure of some U.S. securities markets for four days, and similar attacks are possible in the future. Securities markets may be susceptible to market manipulation (e.g., the potential manipulation of the London Interbank Offered Rate (LIBOR)) or other fraudulent trade practices, which could disrupt the orderly functioning of these markets or adversely affect the value of investments traded in these markets, including investments of the Funds.

While the U.S. government has historically honored its credit obligations, it remains possible that the U.S. could default on its obligations. While it is impossible to predict the consequences of such an unprecedented event, it is likely that a default by the U.S. would be highly disruptive to the U.S. and global securities markets and could significantly impair the value of the Funds' investments. Similarly, political events within the U.S. at times have resulted, and may in the future result, in a shutdown of government services, which could negatively affect the U.S. economy, decrease the value of many Fund investments, and increase uncertainty in or impair the operation of the U.S. or other securities markets.

The uncertainty surrounding the sovereign debt of a significant number of European Union countries, as well as the status of the Euro, the European Monetary Union and the European Union itself, has disrupted and may continue to disrupt markets in the U.S. and around the world.

The risks associated with investments in Europe may be heightened due to the approval by citizens of the United Kingdom, in June 2016, of a referendum to leave the European Union. In March 2017, the United

Kingdom provided formal notification of its intention to withdraw from the European Union pursuant to Article 50 of the Treaty of Lisbon to the European Council. This formal notification began a two-year period of negotiations regarding the terms of the United Kingdom's exit from the European Union. The European Parliament formally approved the withdrawal on January 30, 2020. The withdrawal agreement entered into between the United Kingdom and European Union entered into force on January 31, 2020, at which time the United Kingdom ceased to be a member of the European Union. Following the withdrawal, an eleven-month transition period began, ending December 31, 2020, during which the United Kingdom commenced negotiating its future relationship with the European Union. While a limited deal was reached prior to December 31, 2020, many aspects are still to be determined, including those related to financial services. Significant uncertainty remains in the market regarding the ramifications of the withdrawal of the United Kingdom from the European Union, and the range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. The world's securities markets may be significantly disrupted and adversely affected.

Likewise, natural and environmental disasters, such as the earthquake and tsunami in Japan in early 2011, and systemic market dislocations of the kind surrounding the insolvency of Lehman Brothers in 2008, if repeated, would be highly disruptive to economies and markets, adversely affecting individual companies and industries, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the Funds' investments.

An outbreak of respiratory disease caused by a novel coronavirus designated as COVID-19 was first detected in China in December 2019 and subsequently spread globally, being designated as a pandemic in early 2020. The transmission of COVID-19 and efforts to contain its spread have resulted in, among other things, border closings and other significant travel restrictions and disruptions; mandatory stay-at-home and work-from-home orders in numerous countries, including the United States; significant disruptions to business operations, supply chains and customer activity, as well as mandatory business closures; lower consumer demand for goods and services; event cancellations and restrictions; cancellations, reductions and other changes in services; significant challenges in healthcare service preparation and delivery; public gathering limitations and prolonged quarantines; and general concern and uncertainty. These effects have exacerbated the significant risks inherent in market investments, and the COVID-19 pandemic has already meaningfully disrupted the global economy and markets, causing market losses across a range of asset classes, as well as both heightened market volatility and increased illiquidity for trading. Although the long-term economic fallout of COVID-19 is difficult to predict, it has the potential to continue to have ongoing material adverse effects on the global economy, the economies of individual countries, and the financial performance of individual issuers, sectors, industries, asset classes, and markets in significant and unforeseen ways.

Master Limited Partnership ("MLP")

An investment in MLP units involves some risks that differ from an investment in the common stock of a corporation. Holders of MLP units have limited control on matters affecting the partnership. MLPs holding credit-related investments are subject to interest rate risk and the risk of default on payment obligations by debt issuers. MLPs that concentrate in a particular industry or a particular geographic region are subject to risks associated with such industry or region. The fees that MLPs charge for transportation of oil and gas products through their pipelines are subject to government regulation, which

could negatively impact the revenue stream. Investing in MLPs also involves certain risks related to investing in the underlying assets of the MLPs and risks associated with pooled investment vehicles. These include the risk of environmental incidents, terrorist attacks, demand destruction from high commodity prices, proliferation of alternative energy sources, inadequate supply of external capital, and conflicts of interest with the general partner. The benefit derived from the Fund's investment in MLPs is largely dependent on the MLPs being treated as partnerships for federal income tax purposes, so any change to this status would adversely affect the price of the MLP units.

Certain MLPs in which the Fund may invest depend upon their parent or sponsor entities for the majority of their revenues. If their parent or sponsor entities fail to make such payments or satisfy their obligations, the revenues and cash flows of such MLPs and ability of such MLPs to make distributions to unit holders, such as the Fund, would be adversely affected.

Mortgage-Backed and Asset-Backed Securities

Mortgage-backed securities represent interests in pools of residential mortgage loans purchased from individual lenders by a federal agency or originated and issued by private lenders. Asset-backed securities represent interests in pools of underlying assets such as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. These two types of securities share many of the same risks. The impairment of the value of collateral or other assets underlying a mortgage-backed or asset-backed security, such as that resulting from non-payment of loans, may result in a reduction in the value of such security and losses to a Fund.

Early payoffs in the loans underlying such securities may result in a Fund receiving less income than originally anticipated. The variability in prepayments will tend to limit price gains when interest rates drop and exaggerate price declines when interest rates rise. In the event of high prepayments, a Fund may be required to invest proceeds at lower interest rates, causing the Fund to earn less than if the prepayments had not occurred. Conversely, rising interest rates may cause prepayments to occur at a slower than expected rate, which may effectively change a security that was considered short- or intermediate-term into a long-term security. Long-term securities tend to fluctuate in value more widely in response to changes in interest rates than shorter-term securities.

Municipal Bond Market

The amount of public information available about municipal bonds is generally less than that for corporate equities or bonds, and the investment performance of a Fund may be more dependent on the analytical abilities of the investment adviser than would be the case for a Fund that does not invest in municipal bonds. Certain factors, such as legislative changes, and state and local economic and business developments, may adversely affect the yield and/or value of a Fund's investments in municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality, or state, territory or possession of the United States in which the Fund invests may have an impact on the Fund's share price. The secondary market for municipal bonds also tends to be less well-developed and less liquid than many other securities markets, which may adversely affect the Fund's ability to sell its bonds at attractive

prices. In addition, municipal obligations can experience downturns in trading activity, and the supply of municipal obligations may exceed the demand in the market. During such periods, the spread can widen between the price at which an obligation can be purchased and the price at which it can be sold. Less liquid obligations can become more difficult to value and be subject to erratic price movements. Economic and other events (whether real or perceived) can reduce the demand for certain investments or for investments generally, which may reduce market prices and cause the value of the Fund's shares to fall. The frequency and magnitude of such changes cannot be predicted. A Fund may invest in municipal obligations that do not appear to be related, but in fact depend on the financial rating or support of a single government unit, in which case, events that affect one of the obligations will also affect the others and will impact the Fund's portfolio to a greater degree than if the Fund's investments were not so related. The increased presence of non-traditional participants in the municipal markets may lead to greater volatility in the markets.

Natural Resources

The Fund's investments in instruments issued by companies with business operations in or related to activities in natural resources industries, are likely to be significantly affected by events affecting those industries, including international political and economic developments, energy conservation, the success of exploration projects, commodity prices, and taxes and other governmental regulations.

Non-Diversification Risk

A Fund designated as a "non-diversified investment company", is not limited in the proportion of assets that it may invest in the securities of any one issuer. If the Fund takes concentrated positions in a small number of issuers, the Fund may be more susceptible to the risks associated with those issuers, or to a single economic, political, regulatory or other event affecting those issuers.

Portfolio Turnover

A Fund's investment strategy may result in frequently high turnover rate. A high portfolio turnover rate may result in correspondingly greater brokerage commission expenses and the distribution to shareholders of additional capital gains for tax purposes, some of which may be taxable at ordinary income rates. These factors may negatively affect the Fund's performance.

Preferred Stocks

Preferred stocks may provide a higher dividend rate than the interest yield on debt instruments of the same issuer, but are subject to greater risk of fluctuation in market value and greater risk of non-receipt of income. Unlike interest on debt instruments, dividends on preferred stocks must be declared by the issuer's board of directors before becoming payable. Preferred stocks are in many ways like perpetual debt instruments, providing a stream of income but without stated maturity date. Because they often lack a fixed maturity or redemption date, preferred stocks are likely to fluctuate substantially in price when interest rates change. Such fluctuations generally are comparable to or exceed those of long-term government or corporate bonds (those with maturities of fifteen to thirty years). Preferred stocks have claims on assets and earnings of the issuer which are subordinate to the claims of all creditors but senior to the claims of common stockholders. A preferred stock rating differs from a bond rating because it applies to an equity issue which is intrinsically different from, and subordinated to, a debt issue. Preferred stock ratings generally represent an assessment of the capacity and willingness of an issuer to pay

preferred stock dividends and any applicable sinking fund obligations. Preferred stock also may be subject to optional or mandatory redemption provisions, and may be significantly less liquid than many other securities, such as U.S. Government securities, corporate debt or common stock.

Real Estate Investment Risks

Investing in companies that invest in real estate (“Real Estate Companies”) exposes the Fund to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which Real Estate Companies are organized and operated. Real estate is highly sensitive to general and local economic conditions and developments, and characterized by intense competition and periodic overbuilding. Real Estate Companies may lack diversification due to ownership of a limited number of properties and concentration in a particular geographic region or property type. Risks associated with investing in Real Estate Companies include the following:

- *Equity REIT Securities Risk.* REITs are financial vehicles that pool investor capital to purchase or finance real estate. Equity REITs invest primarily in direct ownership or lease of real property, and they derive most of their income from rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Investing in equity REITs and REIT-like entities involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs and REIT-like entities are typically small or medium market capitalization companies, and they are subject to management fees and other expenses. A Fund that invests in REITs and REIT-like entities will bear its proportionate share of the costs of the REITs' and REIT-like entities' operations. REITs and REIT-like entities are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency and self-liquidation. REITs and REIT-like entities also are subject to the possibility of failing to qualify for tax-free pass-through of income. Also, because REITs and REIT-like entities typically are invested in a limited number of projects or in a particular market segment, these entities are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. In the event of a default by a borrower or lessee, a REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition, investment in REITs could cause the Fund to possibly fail to qualify as a regulated investment company, depending upon the nature of dividends received by the Fund.
- *REIT and REOC Securities Risk.* REIT and REOC Securities Risks. Investing in Real Estate Investment Trusts (REITs) and REIT-like entities involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs and REIT-like entities are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency and self-liquidation. REITs and REIT-like entities also are subject to the possibility of failing to qualify for tax-free pass-through of income. Also, because REITs and REIT-like entities typically are invested in a limited number of projects or in a particular market segment, these entities are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. In the event of a default by a borrower or lessee, a REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition, investment

in REITs could cause the Fund to possibly fail to qualify as a regulated investment company. A Real Estate Operating Company ("REOC") is similar to an equity REIT in that it owns and operates commercial real estate, but unlike a REIT it has the freedom to retain all its Funds from operations and, in general, faces fewer restrictions than a REIT. REOCs do not pay any specific level of income as dividends, if at all, and there is no minimum restriction on the number of owners nor limits on ownership concentration. The value of a Fund's REOC securities may be adversely affected by the same factors that adversely affect REITs. In addition, a corporate REOC does not qualify for the federal tax treatment that is accorded a REIT. A Fund also may experience a decline in its income from REOC securities due to falling interest rates or decreasing dividend payments.

Redemption

The redemption by one or more large shareholders or groups of shareholders of their holdings in an open-end Fund could have an adverse impact on the remaining shareholders in the Fund by, for example, accelerating the realization of capital gains and/or increasing the Fund's transaction costs.

Repurchase Agreements

Certain Funds may enter into repurchase agreements, in which the Fund purchases a security from a bank or broker-dealer that agrees to repurchase the security at the Fund's cost plus interest within a specified time. If the party agreeing to repurchase should default, the Fund will seek to sell the securities which it holds. This could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price. Repurchase agreements maturing in more than seven days are considered illiquid securities.

Reverse Repurchase Agreements and Other Borrowings

Certain Funds may enter into reverse repurchase agreements and dollar rolls, subject to a Fund's limitations on borrowings. A reverse repurchase agreement involves the sale of a security by a Fund and its agreement to repurchase the instrument at a specified time and price. A dollar roll is similar except that the counterparty is not obligated to return the same securities as those originally sold by the Fund but only securities that are "substantially identical." Reverse repurchase agreements and dollar rolls may be considered forms of borrowing for some purposes. A Fund will segregate assets determined to be liquid by the Adviser in accordance with Rule 22e-4 under the Investment Company Act of 1940, as amended, to cover its obligations under reverse repurchase agreements, dollar rolls and other borrowings. Each Fund also may borrow money to the extent permitted under the 1940 Act, subject to any policies of the Fund currently described in its prospectus or Statement of Additional Information. In addition, to the extent permitted by and subject to applicable law or SEC exemptive relief, certain Funds may make short-term borrowings from investment companies (including money market mutual funds) advised or sub-advised by the adviser or its affiliates. Reverse repurchase agreements, dollar rolls and other forms of borrowings will create leveraging risk for a Fund. See "Leverage."

Restricted Securities

Certain Funds are permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expenses, and prompt sale at an acceptable price may be difficult.

Short Sales

The Fund may engage in short sales, which are transactions in which the Fund sells a security that it does not own (or that it owns but does not intend to deliver) in anticipation that the price of the security will decline. In order to establish a short position in a security, a Fund must first borrow the security from a broker or other institution to complete the sale. The Fund 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 Fund replaces the security, the Fund may experience a loss. The Fund'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 Fund paid for the security at the time it was borrowed.

The use by a Fund of short sales in combination with long positions in its portfolio in an attempt to improve performance may not be successful and may result in greater losses or lower positive returns than if the Fund held only long positions. It is possible that a Fund's long equity positions will decline in value at the same time that the value of the securities underlying its short positions increase, thereby increasing potential losses to the Fund. If the Fund is required to return a borrowed security at a time when other short sellers are also required to return the same security, a "short squeeze" can occur, and the Fund may be forced to purchase the security at a disadvantageous price. In addition, a Fund's short selling strategies may limit its ability to fully benefit from increases in the equity markets. The potential for the price of a fixed-income security sold short to rise is a function of both the remaining maturity of the obligation, its creditworthiness and its yield. Unlike short sales of equities or other instruments, the potential for the price of a fixed-income security to rise may be limited due to the fact that the security will be no more than par at maturity. However, the short sale of other instruments or securities generally, including fixed-income securities convertible into equities or other instruments, a fixed-income security trading at a deep discount from par or which pays a coupon that is high in relative or absolute terms, or which is denominated in a currency other than the U.S. dollar, involves the possibility of a theoretically unlimited loss since there is a theoretically unlimited potential for the market price of the security sold short to increase. Short selling also involves a form of financial leverage that may exaggerate any losses realized by a Fund to the extent that it utilizes short sales.

Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to a Fund. To the extent a Fund seeks to obtain some or all of its short exposure by using derivative instruments instead of engaging directly in short sales on individual securities, it will be subject to many of the foregoing risks, as well as to those described under "Derivatives Risk" above.

Short-Term Investments Risk

Funds and UCITS, where permitted may invest in short-term investments including money market instruments, repurchase agreements, certificates of deposit and bankers' acceptances and other short-term instruments that are not U.S. Government securities. These securities generally present less risk than many other investments, but they are generally subject to credit risk and may be subject to other risks as well.

Sustainable Investing:

When a Fund's investment objective or strategies are to focus in companies its subadviser believes exhibit strong records with respect to environmental, social, and corporate governance ("ESG") factors, the Fund may choose to sell, or not to purchase, investments on that basis although the investments may be expected to be profitable or be otherwise consistent with the Fund's investment objective.

In general, when a Fund pursues a sustainability strategy, the application of the applicable subadviser's ESG criteria to investments will affect the Fund's exposure to certain issuers, industries, sectors, regions, and countries; may lead to a smaller universe of investments than other funds that do not incorporate ESG analysis; and may negatively impact the relative performance of the Fund depending on whether such investments are in or out of favor. In addition, the Fund may sell a security based on ESG-related factors when it might otherwise be disadvantageous to do so.

Structured Products

Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. A Fund investing in a structured product may have the right to receive payments only from the structured product, and generally will not have direct rights against the issuer or the entity that sold the assets to be securitized. Certain structured products may be thinly traded or have a limited trading market, and a Fund's investments in structured products may be characterized by the Fund as illiquid securities. In addition to the general risks associated with debt instruments discussed herein, structured products carry additional risks, including, but not limited to: the possibility that distributions from collateral securities will not be adequate to make interest or other payments; the quality of the collateral may decline in value or default; and the possibility that the structured products are subordinate to other classes. Structured notes are based upon the movement of one or more factors, including currency exchange rates, interest rates, reference bonds and stock indices, and changes in interest rates and impact of these factors may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero.

Tax-Exempt Securities

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

Tax Liability

Distributions by the Fund could become taxable to shareholders as ordinary income due to noncompliant conduct by a municipal bond issuer, unfavorable changes in federal or state tax laws, or adverse interpretations of tax laws by applicable tax authorities. Such adverse interpretations or actions could cause interest from a security to become taxable, possibly retroactively, subjecting shareholders to increased tax liability. In addition, such adverse interpretations or actions could cause the value of a security, and therefore the value of a Fund's shares, to decline.

Income from certain commodity-linked investments does not constitute "qualifying income" to a Fund for purposes of the Fund's qualification as a regulated investment company for U.S. federal income tax purposes. Income from other commodity-linked investments may not constitute qualifying income. If such income were determined not to constitute qualifying income and were to cause a Fund's non-

qualifying income to exceed 10% of the Fund's gross income for any year, the Fund would be subject to a tax at the Fund level.

Underlying Funds

Certain Funds and UCITS may invest their assets partially, significantly or primarily in Underlying Funds. The risks associated with investing in these Funds may be closely related to the risks associated with the securities and other investments held by the Underlying Funds. To the extent that a Fund invests in Underlying Funds, its ability to achieve its investment objective may depend upon the ability of the Underlying Funds to achieve their investment objectives. There can be no assurance that the investment objective of any Underlying Fund will be achieved.

To the extent that a Fund or UCITS invests in Underlying Funds, its net asset value per share ("NAV") will fluctuate in response to changes in the net asset values of the Underlying Funds in which it invests. The extent to which the investment performance and risks associated with a Fund or UCITS correlate to those of a particular Underlying Fund will depend upon the extent to which the Fund's or UCITS' assets are allocated from time to time for investment in the Underlying Fund, which will vary. As a shareholder of an Underlying Fund, a Fund or UCITS may indirectly bear service and other fees that are in addition to the fees the Fund pays its service providers. Underlying Funds that are actively managed may entail risks generally associated with actively managed investment products, including management risk. Underlying Funds that seek to track an index or other benchmark may involve tracking risk. Tracking risk is the risk that a fund (in this case an Underlying Fund) may not precisely replicate the results of an index or benchmark that it is intended to track. Deviations of this type may result from purchases or redemptions of fund shares, transaction costs, fund expenses and other factors.

Unrated Fixed Income Securities

A Fund's subadviser has the authority to make determinations regarding the quality of unrated fixed income securities for the purposes of assessing whether they meet the Fund's investment restrictions. However, analysis of unrated securities is more complex than that of rated securities, making it more difficult for the subadviser to accurately predict risk. Unrated fixed income securities may not be lower in quality than rated securities, but due to their perceived risk they may not have as broad a market as rated securities, making it more difficult to sell unrated securities.

U.S. Government Securities

Obligations issued or guaranteed by the U.S. Government, its agencies, authorities and instrumentalities and backed by the full faith and credit of the United States only guarantee principal and interest will be timely paid to holders of the securities. The entities do not guarantee that the value of Fund shares will increase, and in fact the market values of such obligations may fluctuate. In addition, not all U.S. Government securities are backed by the full faith and credit of the United States; some are the obligation solely of the entity through which they are issued. There is no guarantee that the U.S. Government would provide financial support to its agencies and instrumentalities if not required to do so by law.

Variable Distribution Risk

To the extent a Fund invests in fixed income securities that have variable or floating interest rates, the amounts of the Fund's periodic distributions to shareholders may vary with fluctuations in market interest

rates. Generally, when market interest rates fall, the amount of the distributions to shareholders will likewise decrease.

Water-Related Risk

Because the AllianzGI Water Fund (for purposes of this section, the "fund") focuses its investments in companies that are substantially engaged in water-related activities, events or factors affecting the sector consisting of companies engaged in such activities (the "water-related resource sector") will have a greater effect on, and may more adversely affect, the fund than they would with respect to a fund that is more diversified among a number of unrelated sectors and industries.

Companies in the water-related resource sector may be significantly affected by events relating to international political and economic developments, water conservation, the success of exploration projects, commodity prices and tax and other government regulations. There are substantial differences between the water-related, environmental and other regulatory practices and policies in various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time. Other economic and market developments that may significantly affect companies in the water-related resource sector include, without limitation, inflation, rising interest rates, fluctuations in commodity prices, raw material costs and other operating costs, and competition from new entrants into the sector.

Companies in the water-related resource sector are susceptible to changes in investment in water purification technology globally, and a slackening in the pace of new infrastructure projects in developing or developed countries may constrain such companies' ability to grow in global markets. Other reductions in demand for clean water, such as significant decreases in world population or increased availability of potable water in arid regions, may reduce demand for certain products and services provided by companies in the water-related resource sector.

While the water-related resource sector includes established and mature companies, portions of the sector are newly developing and strongly influenced by technological changes. The sector can be significantly affected by the level and volatility of technological change in industries focusing on the quality or availability of or demand for potable and non-potable water. In particular, technological advances can render an existing product, which may account for a substantial portion of a company's revenue, obsolete. Product development efforts by companies in the sector that are focused on developing newer technologies may not result in viable commercial products, and such companies in the sector typically bear high research and development costs, which can limit their ability to maintain operations during periods of organizational growth or instability. Many companies in the sector are in the early stages of operation and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in companies in the water-related resource sector tends to be considerably more volatile than that of companies in more established sectors and industries.

Due to its focus on the water-related resource sector, the fund invests in companies that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose securities may react similarly to various events and other factors. To the extent it focuses a significant portion of its assets in any particular industry within the water-related resource sector, the fund is further

subject to focused investment risk and is more susceptible to events or factors affecting companies in that particular industry. See "Focused Investing Risk."

The fund may also have focused investment risk to the extent that it invests a substantial portion of its assets in a particular country or geographic region. Prolonged drought, floods, weather, disease and other natural disasters, as well as war and political instability, may significantly reduce the ability of companies in the water-related resource sector to maintain or expand their operations or their marketing efforts in affected countries or geographic regions. See "Foreign Investing / Non-U.S. Securities (Including Emerging Markets) Risks".

To the extent the fund invests in companies that derive substantial revenues from activities outside the water-related resource sector, those investments may be significantly affected by developments in other industries in which such companies are active. See "Equity Securities Risk".

When-Issued and Delayed-Delivery Securities

A Fund or UCITS may purchase securities on a when-issued or delayed-delivery basis. The value of the security on settlement date may be more or less than the price paid as a result of changes in interest rates and market conditions. If the value of such a security on its settlement date is less than the price paid by the Fund, the value of the Fund's or UCITS shares may decline.

Zero Coupon, Step Coupon, Deferred Coupon and PIK Bonds

A Fund or UCITS may invest in any combination of zero coupon and step coupon bonds and bonds on which interest is payable in kind ("PIK"). The market prices of these bonds generally are more volatile than the market prices of securities that pay interest on a regular basis. Since the Fund or UCITS will not receive cash payments earned on these securities on a current basis, the Fund or UCITS may be required to make distributions from other sources. This may result in higher portfolio turnover rates and the sale of securities at a time that is less favorable

Other Risks

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

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.



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 designed to manage, its fiduciary duties and any potential conflicts that may arise related to providing services through affiliates.

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

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

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, sub-advisory, 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 sub-advisory 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 generally shares its fees with the entity providing sub-advisory services to VIA either through payment or in the case of certain affiliates, through intercompany allocation.



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 products managed by VIA.

Certain employees of another affiliate of VIA, Virtus Investment Partners International, Ltd. ("Virtus International"), also promote 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. Virtus Partners Malta Ltd. ("Virtus Malta") is also a related person of VIA. As of the date of this filing, Virtus Malta has an application pending with the Malta Financial Services Authority, and upon approval of the application, Virtus Malta representatives will, to the extent permitted by each applicable jurisdiction, be permitted to promote the products managed by VIA to, among others, Sovereign Wealth funds and other foreign official institutions in certain European Economic Area members states.

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.

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
- 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 Requirements 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; 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.

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; and
- VIA has a policy of not purchasing or recommending the purchase of securities issued by its parent company, Virtus.

Item 12 – Brokerage Practices

As a result of our business model, the brokerage and trading activity on behalf of our clients is generally handled by our affiliated and non-affiliated subadvisers. Certain affiliated subadvisers will delegate trade and trade administration to our affiliate, VSS. In addition to the general descriptions of brokerage practices provided below, additional descriptions of each subadviser's specific brokerage practices can generally be found in their respective Form ADV Part 2A Brochure.

The subadvisers, subject to the supervision of VIA, determine the securities and other investments to be purchased, sold or entered into by a sub-advised 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. Each subadviser oversees its own execution quality and brokerage selection, typically by means of a brokerage committee or its equivalent. VIA Compliance receives confirmation of the subadviser reviews through its quarterly oversight process and during the compliance due diligence meetings. In addition, on a quarterly basis, subadvisers are required to confirm that trading activity is in compliance with the applicable client investment management agreement and/or the applicable policies and regulations, including the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") regarding soft dollar usage.

We can provide no assurance, or take any responsibility, for best execution when a client elects to retain discretion over broker selection or commission rate.

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, will seek to allocate 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, certain client portfolios and/or portfolios managed by affiliates of VIA may transact with one another. VIA will only enter into such inter-account transactions when it is 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.

Soft Dollar Programs

Subject to the requirements of seeking best execution; complying with any imposed client restrictions provided to VIA in writing; and complying with a "safe harbor" from the Securities Exchange Act of



1934, as amended, VIA's subadvisers may direct a trade to broker-dealers who provide them with permissible brokerage or research services. In so doing, the subadviser can affect securities transactions which cause a client to pay an amount of commission in excess of the amount of commission another broker would have charged; and the subadviser can generate commission credits which they can use to pay for brokerage and research services provided or paid for by brokers-dealers or other permissible parties. When VIA's subadvisers use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, they receive a benefit because they do not have to produce or pay for the research, products or services. VIA's subadvisers are required to make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services and research and investment information received, viewed in terms of either the specific transaction or VIA's subadvisers' overall responsibility to the accounts for which it exercises investment discretion. VIA and its subadvisers regularly evaluate commissions paid in order to ensure that the commission represents reasonable compensation for the brokerage and research services provided by such brokers.

When engaging in soft dollar programs, VIA's subadvisers can obtain services, other products and research to supplement their research, analysis and execution capabilities without incurring incremental costs to themselves. In these circumstances, VIA's subadvisers can have an incentive to select or recommend a broker-dealer based on their interest in receiving the research or other products or services, rather than our clients' interests in receiving most favorable execution. VIA's subadvisers can also have such incentives if such broker-dealers require minimum levels of client commissions to provide research or brokerage services.

VIA's subadvisers, when not limited by written agreement, are permitted to use "step-out" trade mechanisms. A "step-out" trade occurs when the executing broker-dealer agrees to "step out" a portion of a bunched execution, and that "stepped-out" portion is cleared through the broker-dealer providing the research and brokerage services. The client is assessed a commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of commission from the portion of the bunched execution that was not "stepped-out" to other brokers. Step out trades can increase the overall cost to the client.

Research products and services received for a particular client's brokerage commissions may be used for the benefit of all or a segment of VIA's (or our subadvisers') clients and not exclusively or specifically for the benefit of the client account or accounts whose transactions generated the commissions.

VIA does not receive services, other products or research through our subadvisers' use of soft-dollars.

Commission Sharing Arrangements

VIA's subadvisers are permitted to participate in commission sharing arrangements whereby the subadviser requests brokers affecting transactions on behalf of its clients to allocate a portion of the commission to a commission credit account maintained by the executing broker or a commission management provider. The subadviser can direct an executing broker or commission management provider to pay independent research providers (which may or may not be other brokers) for research products and services. Commission sharing arrangements may be used to pay for both proprietary and

third party research products and services. Commission sharing arrangements enable a subadviser to direct trades to broker-dealers irrespective of whether or not the broker provides research products and services. Subsequently, the subadviser will direct the executing broker or commission management provider to pay the research provider from the commission credit account.

Trade Aggregation and Allocation

It is VIA's policy and expectation of its subadvisers that to the extent practicable, all investment opportunities will be allocated among applicable clients over a period of time on a fair and equitable basis.

Item 13 – Review of Accounts

VIA provides 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 VET, VOT, VIT, VST, VVIT, CEFs and Virtus Global Funds, 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 and provides the Boards with product management oversight reports, compliance reports and other reports as requested.

Portfolio managers for each investment discipline determine the specific securities purchased or sold within a portfolio based on the investment discipline's philosophy and process, as well as the client's investment policy guidelines. Portfolio managers (from our appointed subadvisers) are familiar with the client's philosophy, investment guidelines and objectives and continually evaluate all client relationships and verify portfolios are continuously serviced, monitored and supervised. The portfolio manager (from an appointed subadviser) works with each client to make certain that the assets are invested in accordance with regulations and stated client and investment discipline guidelines.

Virtus' Investment Oversight Committee also provides investment oversight and analysis of affiliates' activities including performance attribution evaluation and analysis on certain accounts and strategies.

Depending on the type of client account, specific client guidelines and restrictions are coded into one or more compliance guideline systems at the subadviser and/or VIA level upon account opening and periodically reviewed and updated as appropriate. The compliance guideline systems are designed to screen individual transactions to prevent and/or forensically identify trade allocations to accounts that do not comply with specific client guidelines.

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.

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 provide custodial services to its clients.

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:

- VIA will accept proxy voting responsibility only with written agreement with the client. Once VIA accepts proxy voting responsibility, generally the client will be allowed to request to vote its proxies on a particular solicitation (consistent with the agreement entered into with VIA) and VIA will attempt to comply with the request if it is operationally possible.
- VIA employs the use of subadvisers and delegates to the subadviser, subject to VIA's oversight, the responsibility to review proxy proposals, make voting recommendations and cast votes. VIA and its subadvisers have each adopted policies regarding proxy voting and each subadviser has a proxy committee or similar body ("Committee"); or other designated party that is responsible for establishing policies and procedures designed to enable the firm to ethically and effectively discharge its fiduciary obligation in voting proxies on behalf of all discretionary client accounts and Funds.

- Unless a client chooses custom guidelines, VIA's affiliated subadvisers will vote all shares per their proxy guidelines. In the case that a ballot item is not covered under the policy or is coded as case-by-case in the firm's guidelines, a research analyst or portfolio manager will review the available information and will utilize such information, along with his knowledge of the company, to make a vote recommendation to the firm's Committee or designated party. The Committee members (or designated party) consider the information and recommendation and will then vote on that ballot item. As reflected in the firms' Proxy policies, the Committee or designated party will affirmatively vote proxies for proposals that it deems to be in the best economic interest of its clients, as a whole, as shareholders and beneficiaries of those actions.
- Due to its diversified client base and numerous product lines, a Committee or other designated party of VIA or its subadvisers may determine a potential conflict exists in connection with a proxy vote. The Committee or other designated party will determine how to address the conflict and that may include voting strictly in accordance with policy, and/or allowing the third party service provider to vote in accordance with its guidelines. Additional conflicts of interests will be evaluated by the Committee or designated party on an individual basis. Although the VIA strives to alleviate or diffuse known conflicts, there is no guarantee that all situations have been or will be mitigated through proxy policy incorporation.

In an effort to make well-informed and qualified proxy vote decisions, VFA and its subadvisers generally utilize a third-party proxy service provider for support services related to the proxy voting processes/procedures which include, but are not limited to the following:

- The collection of proxy material from our clients' custodians;
- The review of proxy proposals and appropriate voting recommendations on behalf of the firm;
- The facilitation of proxy voting, reconciliation, and disclosure, in accordance with the firm's proxy policies and the Committee's or other designated party's direction; and
- Recordkeeping and voting record retention.

Each proxy vote must be evaluated on its own merits. Factors such as a company's organizational structure, executive and operational management, Board of Directors structure, corporate culture and governance process, and the impact of economic, environmental and social implications remain key elements in all voting decisions.

VIA and its affiliated subadvisers will review the third-party proxy service provider's capabilities as agent for the contracted services noted above.

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.

VIA or its subadvisers 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, its subadvisers and their respective 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. Conflicts of interest are handled in various ways depending on the type and materiality.

VIA or its subadvisers may abstain from voting client proxies if, based on its evaluation of relevant criteria, it is determined that the costs associated with voting a proxy exceed the expected benefits to affected clients, such as but not limited to the following situation: Untimely notice of a shareholder meeting; requirements to vote proxies in person; restrictions on a foreigner's ability to exercise votes, and requirements to provide local agents with power of attorney to execute the voting instructions.

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.

APPENDIX A: PRIVACY POLICY



Rev. 02/2021

FACTS	WHAT DOES VIRTUS INVESTMENT ADVISERS, INC. DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none">> Social Security Number and Account Balances> Transaction History> Assets> Risk Tolerance> Investment Experience <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Virtus chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information		
Does Virtus share?		
Can you limit this sharing?		
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes—to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes—information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes—information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Call 800-248-7971 or go to www.Virtus.com	

Who we are	
Who is providing this notice?	Virtus Investment Advisers, Inc.
What we do	
How does Virtus protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Virtus collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> > open an account or give us your contact information > seek advice about your investments > enter into an investment advisory contract > tell us about your investment portfolio > give us your contact information
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> > sharing for affiliates' everyday business purposes — information about your creditworthiness > affiliates from using your information to market to you > sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> > Virtus Investment Advisers, Inc. does not share with our affiliates.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> > Virtus Investment Advisers, Inc. does not share with our nonaffiliates so they can market to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> > Virtus Investment Advisers, Inc. doesn't jointly market.