Form ADV, Part 2A Firm Brochure

Item 1 – Cover Page

Virtus Fund Advisers, LLC
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March 11, 2021

This Form ADV Part 2A Brochure provides information about the qualifications and business practices of Virtus Fund Advisers, LLC. ("VFA", "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 VFA 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 VFA'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 account or investment company 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 VFA 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 VFA who are registered, or are required to be registered, as investment adviser representatives of VFA. You can search the SEC's website by referencing a firm's unique identifying number known as a CRD number. Our CRD number is 107346.

This Brochure contains the following material changes from our last update, dated March 27, 2020:

Item 4: We updated the amount of our assets under management and the descriptions of our advisory business to include new product offerings 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 new product offerings related to the recently completed strategic partnership between AllianzGI and Virtus.

Item 7: We updated the description of the types of clients to include new product offerings related to the recently completed strategic partnership between AllianzGI and Virtus.

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 11: We updated the description of participation or interest in client transactions to describe seed accounts owned and managed by an unaffiliated subadviser.

Item 12: We updated the description of our brokerage practices to describe certain trading practices related to new product offerings related to the recently completed strategic partnership between AllianzGI and Virtus including, but not limited to, discretionary and non-discretionary investment advisory services to wrap fee programs, and 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 14: We updated the description of client referrals and other compensation related to VFA personnel and VFA affiliates to reflect the changes to our clients and business.

Item 15: We updated the description of custody to reflect the changes to our clients and business.

Item 16: We updated the descriptions of investment discretion to describe our duties when managing client accounts on a discretionary or a non-discretionary arrangement, and our policy on handling class actions.

Item 17: We updated the description of voting client securities to describe certain conditions under which we may abstain from voting client securities and/or participate in bankruptcy proceedings, make investment-related elections and join creditors' committees on behalf of some or all of VFA's clients.

Appendix A: Our Privacy Policy (notice) was added as an appendix to this Brochure.

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Item 4 – Advisory Business

VFA is a wholly-owned subsidiary of Virtus Partners, Inc., which is a wholly-owned subsidiary of Virtus Investment Partners, Inc., a publicly traded multi-manager asset management business, as of December 31, 2008 (NASDAQ: VRTS). VFA has been registered with the SEC since 1985.

VFA provides discretionary and non-discretionary investment advisory services to investment accounts for pension and profit sharing plans, endowments and foundations, governmental entities, other corporate entities, retail seed accounts, high net worth clients, wrap-fee programs, open-end investment companies, Undertakings for Collective Investment in Transferable Securities ("UCITS"), collective investment trusts ("CITs"), and registered investment advisers. VFA will also provide other investment services in connection with providing recommendations of subadvisers. VFA's services are tailored to the needs and investment mandates of each client, and clients can generally impose restrictions on investing in certain securities or types of securities in their accounts managed by VFA when negotiating their investment advisory agreement. VFA provides investment advisory services for accounts that are (i) established directly with the client; (ii) introduced through wrap-fee programs of other financial services firms, such as broker-dealers, registered investment advisers, and other intermediaries; or (iii) mutual funds and other accounts sub-advised by affiliated and unaffiliated investment advisers.

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, VFA became the investment adviser to certain retail separate account strategies, certain CITs, CDP and retail seed account strategies.

Assets Under Management as of February 1, 2021

As of February 1, 2021, VFA had regulatory assets under management of $13,714,094,013. Discretionary assets under management totaled $13,168,325,703. Non-discretionary assets under management related to the Virtus Collective Investment Trust II, and the Allianz Multi-Series Collective Investment Trust totaled $545,768,310. Subsequent to February 1, 2021 (the date of which we are reporting our regulatory assets under management) VFA also became the non-discretionary manager for the AllianzGI Multi-Series Retirement Collective Investment Trust.

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, VFA is considered a "manager of managers." In addition, VFA delegates certain responsibilities such as trading and operations to affiliated and unaffiliated service providers. **As a result, throughout this Brochure, reference to services provided by VFA should be read to include services provided by a subadviser or service provider to which VFA has delegated authority in connection with its advisory services.**

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

Affiliated Subadvisers

- Ceredex Value Advisors LLC
- NFJ Investment Group, LLC
- Seix Investment Advisors LLC
- Silvant Capital Management LLC
- Sustainable Growth Advisers, LP

Unaffiliated Subadvisers

- Allianz Global Investors U.S. LLC
- Mellon Investments Corporation
- Janus Capital Management LLC
- Legg Mason Private Portfolio Group, LLC
- Pacific Investment Management Company LLC
- William Blair Investment Management, LLC
- Zevenbergen Capital Investments LLC

Advisory Services – Institutional

VFA provides investment services to accounts established for institutional clients including pension and profit sharing plans, endowments and foundations, governmental entities, other corporate entities, retail seed accounts, open-end investment companies, UCITS, collective investment trusts, and high net worth clients. VFA serves as a non-discretionary investment adviser to the Virtus II Collective Investment Trust; the Allianz Multi-Series Collective Investment Trust; and the AllianzGI Multi-Series Retirement Collective Investment Trust. VFA manages these accounts subject to each client's investment guidelines.

Advisory Services – Mutual Funds

VFA provides investment advisory services to the following funds of the Virtus Asset Trust ("VAT"), an affiliated series trust registered under the Investment Company Act of 1940, as amended ("1940 Act"):

- Virtus Ceredex Large-Cap Value Equity Fund
- Virtus Ceredex Mid-Cap Value Equity Fund
- Virtus Ceredex Small-Cap Value Equity Fund
- Virtus SGA International Growth Fund
- Virtus Seix Core Bond Fund
- Virtus Seix Corporate Bond Fund
- Virtus Seix Floating Rate High Income Fund
- Virtus Seix High Grade Municipal Bond Fund
- Virtus Seix High Income Fund
- Virtus Seix High Yield Fund
- Virtus Seix Investment Grade Tax-Exempt Bond Fund
- Virtus Seix Short-Term Bond Fund
- Virtus Seix Short-Term Municipal Bond Fund
- Virtus Seix Total Return Bond Fund
- Virtus Seix U.S. Government Securities Ultra-Short Bond Fund
- Virtus Seix U.S. Mortgage Fund
- Virtus Seix Ultra-Short Bond Fund
- Virtus Silvant Large-Cap Growth Stock Fund
- Virtus Silvant Small-Cap Growth Stock Fund
- Virtus Zevenbergen Innovative Growth Stock Fund

Advisory Services – Wrap-Fee Programs

VFA offers discretionary and nondiscretionary investment advisory services to wrap-fee programs ("Wrap Programs") that are generally sponsored by banks, broker-dealers, or other investment advisers (each, a "Sponsor"). In wrap-fee accounts, VFA is chosen by the client to act as an investment adviser through a selection process administered by the Sponsor. VFA serves as investment adviser for the wrap programs and engages a subadviser to manage the strategies offered under the wrap program. Sponsors typically offer comprehensive brokerage, custodial, and advisory services for a single "wrap fee," based on a percentage of assets under management. The Sponsor pays VFA a portion of the wrap fee in connection with the advisory services it provides. Under some arrangements, the Sponsor and VFA each charge a separate fee for their respective services.

Wrap Program accounts are typically subject to minimum investment levels which vary by strategy. Accounts with fewer assets than the minimum investment levels indicated by the Sponsor may be accepted at VFA's discretion. However, the performance of client accounts maintained below the standard minimum investment may vary widely from larger accounts. Client accounts with assets that fall below the minimum indicated by the Sponsor may be terminated by VFA. Clients and prospective clients of Wrap Programs should carefully review the Wrap Program terms and conditions in the disclosure documents to understand the services, minimum account size, and expenses.

Wrap Program clients only invest in VFA's sub-advised investment strategies. The model strategies that are generated for each investment strategy are implemented across all client accounts, whether wrap or non-wrap. Deviations from the model portfolio can occur for various reasons, including to accommodate specific investment guidelines of an individual client and, as a result, certain accounts may not be aligned with a strategy's model portfolio and performance differences can occur between such an account and the model portfolio for the strategy.

VFA is responsible for implementing securities transactions for each investor that are appropriate for the selected investment strategy, subject to applicable investment restrictions imposed by an investor.

VFA does not have an advisory relationship with underlying Wrap Program clients. To the extent that this Form ADV Part 2A Brochure is delivered to Wrap Program clients with whom VFA has no direct advisory relationship, or under circumstances where it is not legally required to be delivered, it is provided for informational purposes only. Further, because a Wrap Program Sponsor generally exercises investment discretion and, in many cases, brokerage discretion, delivers performance reporting and other information relating to VFA's services for which it exercises investment and/or brokerage discretion is generally provided for informational purposes only, and may not be representative of Wrap Program client results or experience. VFA is not responsible for overseeing the provision of services by a Sponsor and cannot assure the quality of the Sponsor's services.

VFA currently offers the following strategies to Wrap Programs:

- Virtus NFJ All Cap Value
- Virtus NFJ Dividend Value
- Virtus NFJ International Value
- Virtus NFJ Large Cap Value
- Virtus NFJ Mid Cap Value
- Virtus NFJ PIMCO Balanced
- Virtus NFJ Small Cap Value
- Virtus AllianzGI Global Sustainability
- Virtus AllianzGI International Sustainability
- Virtus AllianzGI Rising Disruptors

Advisory Services – Unified Managed Accounts (UMA) and Model Delivery

VFA provides nondiscretionary investment advisory services, as investment adviser or model provider, to other banks, broker-dealers or investment advisers that seek specific securities-related advice and recommendations. The advice and recommendations are provided through the development of unified managed accounts ("UMAs") or other model-driven programs. VFA does not enter into a direct relationship with the clients of these investment advisers and does not provide administrative or account-specific performance reporting services to those clients. VFA can provide periodic market commentary relating to the performance of its models to these investment advisers but does not initiate any trading in the UMAs to these investment advisers. These investment advisers can request VFA to implement trading in these UMAs and VFA can elect to do so at its discretion. VFA recommendations that are provided to investment advisers are used by such investment advisers in their sole discretion, and therefore, it is at the investment adviser's discretion whether or not and to what extent to implement the UMA or each recommendation.

VFA does not guarantee that the UMAs and model-driven programs will track the model portfolios. The model portfolios are not tailored to individual clients and clients electing to invest in model portfolios provided by VFA should determine what types of restrictions they may request in connection with their investments in such model portfolios.

Advisory Services – Collective Investment Trusts

VFA provides nondiscretionary advisory services to Collective Investment Trusts ("CIT"). The following strategies are currently offered and others may be added as negotiated with clients:

- AllianzGI Emerging Markets Consumer
- AllianzGI Small Cap
- AllianzGI US Small Cap Growth
- AllianzGI US Small Cap Core
- Ceredex Large Cap Value Equity
- Ceredex Mid Cap Value Equity
- NFJ Dividend Value
- NFJ Small Cap Value
- Sustainable Growth Advisers International
- Sustainable Growth Advisers Global

Other Investment Services

VFA recommends affiliated and unaffiliated subadvisers (some of whom also provide sub-advisory services to VFA for other portfolios) to provide non-discretionary investment advisory services in the

form of model portfolios to the Virtus Multi-Firm Consults Diversified Portfolios ("CDPs") program of Managed Accounts Advisors, LLC ("MAA"), an affiliate of Merrill Lynch. Such subadviser recommendations are limited to those investment advisers that are available from an approved list provided by MAA to VFA.

VFA provides investment management services as subadviser to the Barclays Global Access U.S. Value Fund, an UCITS fund distributed by an unaffiliated firm.

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:

- Manager of managers exemptive orders granted by the SEC when employing subadvisers for our registered investment company clients ("Funds"); and

- Provisions from the Central Bank of Ireland when employing subadvisers for UCITS clients.

The manager of managers structure involves the use of one or more subadvisers to manage some or all of a Fund's portfolio. Under this structure, VFA is responsible for the oversight of the Funds' investment programs and certain day-to-day operations and for evaluating and selecting subadvisers on an ongoing basis; making recommendations to the Board of Trustees regarding hiring, retaining or replacing subadvisers; negotiating and renegotiating the terms of the sub-advisory agreements; monitoring the subadvisers' compliance with the Funds' respective investment objectives, policies and restrictions; setting overall investment strategies of each Fund; and providing certain other oversight activities.

Investment management services are provided in accordance with any written investment advisory contracts based specific investment guidelines delivered by the client. VFA may agree to reasonable restrictions placed on VFA'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 VFA in writing, and may impact performance.

Types of Investments

VFA, subject to client-imposed restrictions and guidelines, offers investment advice on the following types of instruments: equity securities including common and preferred stocks and equivalents, exchange-listed securities, securities traded over-the-counter, foreign issues, American Depositary Receipts ("ADRs"), warrants, corporate debt securities, bank loans, certificates of deposit, municipal securities, investment company securities, including traditional mutual fund shares and exchange traded funds ("ETFs"), and United States government securities. We may utilize, where appropriate, derivatives, options contracts on securities, futures contracts on intangibles, credit default swaps and participation

notes. We may also utilize foreign currencies to purchase foreign securities and to hedge against the risk of a decline in the U.S. dollar or other currencies.

VFA cannot guarantee or assure our clients that their investment objectives will be achieved. VFA 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 VFA's overall management of any account. VFA'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 VFA's services.

Item 5 – Fees and Compensation

This section describes our basic fee schedule. VFA 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 each client's written agreement with VFA.

The specific manner in which fees are charged is established in a client's written agreement with VFA. VFA typically charges its clients a fixed percentage fee per annum for investment advice based on the market value of the assets under management, payable quarterly in arrears. In limited circumstances, we may offer fixed or other fee arrangements. Assets under management include a client's uninvested cash position for which VFA does not provide investment advice. First and last quarter fees are generally calculated based on the number of days in the quarter VFA managed the account. VFA will invoice the client or the client's custodian directly if instructed by the client in the investment advisory agreement or other written authorization. Clients can elect to be billed directly for fees or authorize VFA to directly debit fees from their accounts. If you direct your custodian to pay VFA from your account, your custodian should send a quarterly statement directly to you, which should disclose transactions made in the account and VFA's fees. VFA (or its service provider) will generally receive copies of the custodian's statements in paper or electronic form. It is important that you compare the client reports you receive directly from us to the official custodial records you receive from your custodian. VFA's standard advisory contract is cancelable by either a client or VFA 30 days after receipt or delivery of written notice. Other termination conditions may be negotiated to accommodate special client requirements.

When VFA 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. VFA generally shares its fees with the entity providing sub-advisory services to VFA (in the case of certain affiliates, this can be affected through the affiliated subadviser receiving the fee and allocating a portion of the fee to

VFA through intercompany transactions); or in the case of VFA's nonaffiliated subadvisers participating in the CDP program, such subadvisers will pay VFA up to .10%.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. Refer to "Item 12. Brokerage Practices" for more information. To the extent that a client's assets are invested in account overseen or held by the client's trustee or custodian, the client should be aware that the trustee or custodian may also charge management or transactional fees with respect to such assets. Mutual funds, UCITS, ETFs and alternative investments bear their own operating expenses, including compensation paid to their advisers and other service providers as well as other expenses and fees. This information is disclosed in the specific fund's prospectus or offering documents.

Advisory Fees – Collective Investment Trusts

VFA receives fees for providing nondiscretionary advisory services to CITs. VFA does not maintain a standard fee schedule for nondiscretionary services to CITs. The advisory fees are typically negotiated with, and paid by, each CIT pursuant to an agreement between the parties. The advisory fees may vary by CIT and strategy but are generally between .14% and .82% of total assets under management in the respective CIT account.

Advisory Fees – Mutual 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 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 such investment advisory contracts may be up to .85% 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 portfolios. Furthermore, the 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 VFA in the transfer or final disposition of an advisory account.

Advisory Fees – Wrap Programs

VFA does not maintain a standard fee schedule for discretionary advisory services to Wrap Programs managed by third-party Sponsors. The advisory fees are typically negotiated with, and paid by, the Sponsor pursuant to an investment management agreement. The advisory fees vary by Sponsor and strategy but are generally between .33% and .50% of total assets under management. Generally, fees are payable quarterly and billed either in arrears or in advance as indicated by the investment management agreement. Wrap-fee clients typically receive a brochure detailing the wrap-fee program from the Sponsor prior to their selection of VFA as investment manager. Fees and features of each program offered by the various Sponsors vary and therefore, wrap-fee clients should consult the Sponsor's brochure for the specific fees and features applicable to their program.

In most cases, because the Sponsor does not charge an additional commission for brokerage transactions, it will be more cost effective to the client for VFA to execute transactions through the Sponsor instead of through other broker-dealers. However, if VFA determines that the Sponsor may not be in the position to provide best execution, VFA may select another broker-dealer to effect transactions which may cause the client to incur additional overall costs. Additional information on VFA's brokerage practices is set forth below under "Item 12. Brokerage Practices".

Advisory Fees – Unified Managed Accounts (UMA) and Model Portfolios

VFA provides investment models pursuant to agreements with unaffiliated broker-dealers or investment advisers and in return may receive a portion of the advisory fee received by these unaffiliated parties from their clients. VFA does not maintain a standard fee schedule for non-discretionary model delivery advisory services. The advisory fees vary model recipient and by strategy and are negotiable but generally between 0.33% and .36% of total assets under management. Fees may be payable in arrears or in advance, typically on a quarterly basis.

Advisory Fees – Institutional / Other

VFA also provides investment advisory services to collective funds; UCITS authorized under the European Directive; institutional clients including pension and profit sharing plans, endowments and foundations, governmental entities, other corporate entities; and high net worth clients. To the extent that these client accounts are invested in mutual funds, these funds generally charge a management fee for their services as investment managers. This management fee, along with other charges, is included in the "expense ratio" of the fund. These fees are described in each fund's prospectus and are in addition to the fees you pay to VFA. With the exception of our asset allocation account clients, when a portfolio manager of one of our subadvisers determines to invest assets of an individual discretionary account in a mutual fund (an affiliated registered investment company) for which it (or an affiliate) also acts as adviser and/or subadviser and receives an investment advisory fee, VFA will not charge an account level fee on the market value of assets held in the affiliated mutual fund.

If a client account has chosen an asset allocation strategy using mutual funds or ETFs, an account level asset allocation fee is generally charged in addition to the management fees the funds pay to the adviser for investment management of the funds.

VFA provides other services in connection with portfolio services agreements pertaining to recommendations of affiliated and unaffiliated third-party managers (some of whom also provide sub-advisory services to VFA for other portfolios) used in the CDPs. The fees vary by specific agreement and strategy, and are negotiable but generally up to .10% of total assets under management as paid to VFA by managers that it recommends to MAA, to manage model portfolios in the CDP.

The written terms of each client's contract will prevail with respect to all of the above.

In addition to the above, VFA may develop new strategies managed in seed accounts which may be offered with negotiated fees.

Compensation from the Sale of Securities

VFA's supervised persons and related registered sales personnel typically market VFA investment capabilities to various prospects and intermediaries either directly through separate accounts and Wrap Programs or indirectly through Funds advised by VFA.

Certain of VFA's supervised persons and related registered sales personnel also may be associated with an VP Distributors, LLC, affiliated broker-dealer, and in that capacity may engage in marketing or selling activities with respect to shares or interests in Funds advised by VFA. (See "Item 10. Other Financial Industry Activities and Affiliations" for more information about other financial industry activities and affiliations.) The Funds may pay an investment management or administrative fee to VFA. 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 VFA or an affiliate, the Funds or their respective investors.

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

Custody Fees

Funds 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, VFA (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 VFA (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 VFA'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, VFA (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 VFA or its related persons (or its subadvisers) provide investment advice or other services, and from which VFA and its affiliates (and VFA'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, VFA may, depending on the arrangement with a separate account client or Sponsor, 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 VFA's related persons, avoid or limit the payment of duplicative fees to VFA 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 by any fund purchased for the client's account are in addition to certain of the expenses covered by the managed account/wrap account fee, VFA 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 all or a portion of designated client accounts). The terms of any incentive fee are based upon a negotiated arrangement with the client. VFA 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. We have an incentive to favor accounts for which we receive performance-based fees. VFA 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 simultaneous management of assets of various client types in the same investment strategy with varied fee structures. VFA manages accounts for various client types such as mutual funds, institutional clients, and wrap-fee program clients within the same strategy, which may present conflicts of interest. Due to different client investment objectives and strategies, clients should be aware that VFA can sell 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. VFA 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 the separation of trading and portfolio management activities by information barriers.

Item 7 – Types of Clients

VFA provides discretionary and non-discretionary investment advisory services to investment accounts for pension and profit sharing plans, endowments and foundations, governmental entities, other corporate entities, retail seed accounts, high net worth clients, open-end investment companies, UCITS, CITs, CDPs and registered investment advisers.

Subject to a master sub-advisory and services agreement, VFA provides investment advice indirectly to certain clients of Truist, formerly known as SunTrust Bank, an entity with which VFA was affiliated prior to VFA being acquired by Virtus Investment Partners, Inc.

VFA recommends affiliated and unaffiliated third-party subadvisers (some of whom also provide sub-advisory services to VFA for other portfolios) to provide non-discretionary investment advisory services in the form of model portfolios to the CDP program of MAA.

All of our assets under management are delegated to affiliated and unaffiliated investment advisers pursuant to delegation or sub-advisory agreements ("subadvisers"); thus, VFA is considered a "manager of managers." In addition, VFA delegates certain responsibilities such as trading and operations to affiliated and unaffiliated service providers.

We require 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 for each registered investment company and UCITS establishes guidelines and restrictions which can be found in the applicable offering documents.

VFA does not maintain a basic fee schedule for investment advisory services and supervisory services for institutional separately managed accounts; however, new accounts are generally subject to a minimum annual fee of $10,000 and an initial asset base of $10 million or more. Fees and minimum initial assets under management are subject to modification and negotiation to accommodate special client requirements. We reserve the right 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 investment companies and investors in other pooled products are not deemed advisory clients of VFA.

Wrap Program accounts are typically subject to minimum investment levels which vary by strategy.

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 VFA 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.

VFA selects and employs subadvisers to implement investment management programs for each client account, consistent with stated objectives. The subadvisers, subject to the VFA's supervision, are responsible for the day-to-day management of the respective portfolio or model portfolio, or sleeves thereof. 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 VFA, or any additional client-imposed restrictions provided to and accepted by VFA in writing.

In its role as a manager of managers, VFA's primary functions include developing new investment products, identifying and appointing investment managers (and/or making recommendations thereof, such as is the case for VAT, CDP Program and CITs) and monitoring those managers, who are generally appointed as subadvisers on an on-going basis. Subsequent to appointment, VFA monitors subadviser performance and in that capacity can affect termination or replacement (and/or make recommendations thereof, such as is the case for VAT, CDP and CITs). Depending upon the requirements of our client agreement, VFA (or its service providers), generally affects 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.

Subsequent to appointment, VFA monitors subadviser performance and in that capacity can affect termination or replacement (and/or make recommendations thereof, such as is the case for VAT, CDP and CITs). Depending upon the requirements of the client agreements, VFA (or its service providers), among other things, does the following: monitors the compliance of the subadviser with the investment objectives and related policies of client accounts; monitors significant changes that may impact the subadviser's overall business and regularly performs reviews of the subadviser; reviews the performance of the subadviser; and reports on such activity as required by client agreement.

Pursuant to an order from the SEC, VFA, subject to VAT Board approval, is permitted to appoint a new subadviser for a VAT Fund, or change the terms of a sub-advisory agreement.

Investment Oversight and Governance

Virtus's product governance framework provides additional oversight tools for VFA 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 VFA 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 VFA 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, VFA 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, VFA Compliance will generally conduct reviews and perform periodic forensic testing in the following manner.

VFA 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 VFA's quarterly compliance review and assessment of subadvisers.

VFA 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 VFA 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, VFA utilizes information and reporting processes managed by Virtus Corporate Compliance and the Virtus Compliance Committee. Representatives of VFA Compliance also meet with the compliance personnel of VFA'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

U.S. and its affiliated adviser PIMCO; and NFJ will be 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. All investments involve 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 pooled vehicles, 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 mutual funds, UCITS, and CITs, clients and prospective clients should refer to the respective offering documents.

Depending on your strategy, the limitations imposed by your established portfolio investment 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.

Allocation Risk
A fund's or account's investment performance may depend, in part, upon how its assets are allocated and reallocated by its adviser and/or subadviser. If the fund's or account's exposure to equities and fixed income securities, or to other asset classes, deviates from the subadviser's intended allocation, or if the fund's or account's allocation is not optimal for market conditions at a given time, the fund's or account's performance may suffer. Similarly, if the fund's or account's management by a particular subadviser selected by the investment adviser is not optimal for market conditions at a given time, or if the subadviser does not perform as expected, the fund's or account'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 account, 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 and accounts are also subject to the risk that deficiencies in the operational systems or controls of the subadviser or another service provider will cause losses or hinder operations. For example, trading delays or errors (both human and systemic) could prevent a fund or account 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 accounts and may also adversely affect the ability of the funds and accounts 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 or account 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 or account invests significantly in one or more mutual funds or exchange-traded funds (each, "Underlying Funds"), its investment performance will depend upon how its assets are allocated and reallocated among particular Underlying Funds and other investments. A fund or account 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 or account 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 or account, 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 Underlying Funds under various market conditions.

You could lose money on your investment in a fund or account as a result of these allocation decisions.

Asset-Backed Securities

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. The impairment of the value of collateral or other assets underlying an 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 or account.

Early payoffs in the loans underlying such securities may result in a fund or account 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 or account may be required to invest proceeds at lower interest rates, causing the fund or account 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.

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 account's 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 account invests and that the collateral may not be sufficient to cover the amount owed to the fund or account. If the loan is unsecured, there is no specific collateral on which the fund or account can foreclose. In addition, if a secured loan is foreclosed, a fund or account 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 that may take more than seven days. As a result, sale proceeds related to the sale of loans may not be available to make additional investments or to meet a fund's redemption obligations or an account owner's desire to take cash out of the account 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 account 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 account, therefore may not be entitled to rely on the strong anti-fraud protections of the federal securities laws. With loan participations, a fund or account 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 account could enforce its rights directly against the borrower.

Cannabis Related Companies

The regulatory environment governing the medical and adult use marijuana industries in the U.S. is, and will continue to be, subject to evolving regulation by governmental authorities. The possession and use of marijuana, even for medical purposes, is illegal under federal and certain states' laws, which may negatively impact the value of a fund's or account's investments. The non-U.S. marijuana industry is also subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana, as well as those relating to health and safety, the conduct of operations and the protection of the environment. Controlled substance legislation differs between countries and legislation in certain countries may restrict or limit the ability of certain companies in which a fund or account invests to sell their

products. Accordingly, there are a number of risks associated with investing in companies in an evolving regulatory environment, including, without limitation, increased industry competition, rapid consolidation of industry participants and potential insolvency of industry participants. Such risks may negatively impact the value of the fund's or account's investment in cannabis related stocks.

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 or account 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 or account's investments, to the extent the fund or account 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 or account 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 or account 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 or account's investments in China.

Commodity and Commodity-Linked Instruments

Investments by a fund or account in commodities or commodity-linked instruments may subject the fund's or account'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 a 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 or account's investments in commodity-linked derivative instruments may subject the fund or account 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.

Confidential Information Access Risk

In managing funds or accounts that may invest in privately placed instruments, certain subadvisers 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 or account may be disadvantaged in comparison to other bank loan investors, including with respect to the price the fund or account pays or receives when it buys or sells a bank loan. Further, in situations when a fund or account 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 or account'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, a subadviser may from time to time come into possession of Confidential Information about issuers whose securities may be held in a fund's or account'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, that subadviser's ability to trade in these securities for the account of a fund or account could potentially be limited by its possession of such information. Such limitation on the subadviser's ability to trade could have an adverse effect on a fund or account by, for example, preventing the fund or account 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.

Consumer-Related Companies Risk

The Virtus AllianzGI Emerging Markets Consumer strategy focuses its investments in the consumer and consumer-related sectors, which include the consumer staples, consumer discretionary and healthcare industries, will be associated with the risks particular to those sectors, including demographic and product trends, performance of the overall economy, competition, marketing campaigns, environmental factors, government regulation, interest rates, consumer confidence and disposable household income and consumer spending. Accounts invested in this strategy may from time to time invest a substantial portion of their assets in these and other industries or sectors, and during those periods will be subject to a greater extent to the risks associated with those industries or sectors.

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 or account 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 or account. 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. Securities convertible into common stocks may have higher yields than common stocks but lower yields than comparable nonconvertible securities. Certain funds or accounts 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.

Contingent Convertible Securities Risk. Contingent convertible securities ("CoCos") have no stated maturity, have fully discretionary coupons and are typically issued in the form of subordinated debt instruments. CoCos generally 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 or account 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 or account 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 or account'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 or account 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 or account in CoCos may result in losses to the fund or account.

Counterparty Risk
A fund or account 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 or account. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, the fund or account could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for the fund or account. 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 a fund or account or that a fund or account 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 or account. For cleared swaps, a fund's or account's counterparty is a clearinghouse rather than a bank or broker. In cleared swaps, such fund or account 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.

Cybersecurity
With the increased use of technologies such as the Internet to conduct business, the funds and accounts are potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the digital information systems, networks or devices of a fund, subadviser or their service providers (including, but not limited to, a fund's investment adviser, transfer agent, custodian, administrators and other financial intermediaries, and an account's custodian) through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal shareholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the fund or account. Any such cybersecurity breaches or losses of service may cause the fund or account to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the fund or account to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/ or financial loss. While the funds, subadvisers and their service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for. Cybersecurity risks may also impact issuers of securities in which the fund or account invests, which may cause the fund's or account's investments in such issuers to lose value.

Debt Instruments
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 a fund's or account's investments, to the extent that the fund or account 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 or account, but will affect the value of the fund's shares or account's value. 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 or account 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 or account 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 and accounts invest. For example, certain instruments in which a fund or account 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 and accounts or on certain instruments in which the funds or accounts 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 a fund or account 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 accounts 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 or accounts.

- *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 or account from purchasing or selling such illiquid securities at an advantageous time or price, or possibly requiring a fund or account to dispose of other investments at unfavorable times or prices in order to satisfy its obligations or possibly delaying the redemption of fund shares or ability of the account owner to obtain cash from the account. Funds and accounts 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 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. The funds do not expect Rule 22e-4 to have a significant effect on investment operations. 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 or account 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 or account may not be able to reinvest the proceeds at comparable rates of return.

Depositary Receipts
Certain funds and/or accounts 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
Derivative transactions are contracts whose value is derived from the value of an underlying asset, index or rate, including futures, options, non-deliverable forwards, foreign currency forward contracts and swap agreements. A fund or account 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 or account 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 or account. 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.

If a fund or account sells a credit default swap, that fund or account effectively adds economic leverage to its portfolio because, in addition to its total net assets, the fund or account 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 or account does not correctly evaluate the creditworthiness of the company on which the credit default swap is based. To the extent a fund or account 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 or account 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 or account to losses if the contracts do not correlate with the assets, indexes or rates they were designed to hedge. 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 or account 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 or account's ability to invest in derivatives as the fund's or account'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 or account by placing limits on derivative transactions, and/or increasing transaction and/or regulatory compliance costs. For example, the CFTC has adopted rules that apply a new aggregation standard for position limit purposes, which may further limit a fund's or account'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 or account'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 or account's income or deferring its losses. A fund's or account's use of derivatives may also increase the amount of taxes payable by shareholders or the resources required by the fund or account, or its adviser and/or subadviser(s) to comply with particular regulatory requirements.

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 or account's counterparty is a clearing house, rather than a bank or broker. Since the funds and the subadvisers are not members of clearing houses and only members of a clearing house can participate directly in the clearing house, the funds and accounts will hold cleared derivatives through accounts at clearing members. In a cleared derivatives transaction, a fund or account will make payments (including margin payments) to and receive payments from a clearing house through its account at a clearing member. 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 described in the fund's prospectus 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 or accounts than bilateral arrangements. For example, the funds or accounts 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 or account, 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 or account holds its cleared position. If a fund's or account's counterparty or the relevant clearing house or clearing member were to default, the fund or account 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.

Distressed Company Risk.

A fund or account that invests in securities of distressed companies may be subject to greater levels of credit, issuer and liquidity risk than a portfolio that does not invest in such securities. Securities of distressed companies include both debt and equity securities. Debt securities of distressed companies are considered predominantly speculative with respect to the issuers' continuing ability to make principal and interest payments. Issuers of distressed company securities may also be involved in restructurings or bankruptcy proceedings that may not be successful. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the fund's or account's ability to sell these securities (liquidity risk). If the issuer of a debt security is in default with respect to interest or principal payments, the fund or account may lose the value of its entire investment. Investments in distressed securities often involve increased control position risk and litigation risk.

Equity Securities

Generally, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors. 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. 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 account goes down, the value of the fund's or account'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. Risks associated with investing in equity securities include the following.

- *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 and more volatile 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.

- *Medium Market Capitalization Companies Risk.* 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 medium-sized companies may be more volatile, and they may face a greater risk of business failure, which could increase the volatility and risk of loss to the fund or account.

- *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, which could increase the volatility and risk of loss to the fund or account.

- *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, which could increase the volatility and risk of loss to the fund or account.

- *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
Even if a fund or account does not have an objective of sustainable investing, the subadviser may consider ESG factors in its evaluation of potential investments for the fund's or account's portfolio. Some subadvisers may consider such factors as integrated with the inherent value of an investment through the subadviser's analysis of how the ESG factors relate to the potential financial value of the asset, while other subadvisers may consider such factors as distinct from other factors and may decline to invest in particular assets based upon ESG factors alone. A subadviser's consideration of ESG factors could cause the fund or account to perform differently compared to funds or accounts that do not have such considerations. The consideration of ESG factors may result in the fund's or account's forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for ESG reasons when it might otherwise be disadvantageous for it 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' and accounts' 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 or account owners indirectly bear; such expenses may exceed the expenses the fund or account 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 or account 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.

Foreign Investing
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 account 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 account's 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 account. Certain foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk. Risks associated with foreign investing include the following:

- *Currency Rate Risk.* Because the foreign securities in which a fund or account invests generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the fund's or account's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of securities. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including 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 shares and account's value is calculated in U.S. dollars, it is possible for a fund or account 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 account's holdings goes up. Generally, a strong U.S. dollar relative to such other currencies will adversely affect the value of the fund's or account's holdings in foreign securities. The local emerging market currencies in which a fund or account 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 account 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 account's performance.

Funds and accounts may also be subject to Emerging Market 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 and accounts may invest in some emerging markets through trading structures or protocols that subject them to risks such as those associated with illiquidity, custodying 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 accounts 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 and accounts may 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 and accounts. 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 account's 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 and accounts to liquidity risk with respect to China A Shares. A fund or account 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 account 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 account 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 account 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 accounts' 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 account invests a significant portion of its assets in a particular emerging market, the fund or account 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 account as compared with a fund or account 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 or account 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 or account 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.

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

Focused Investments

Focusing fund or account investments in a small number of issuers, industries, foreign currencies or regions increases risk. Funds or accounts 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 value of the fund or account. Diversified funds or accounts that invest in a relatively small number of issuers are subject to similar risks. In addition, the funds and accounts 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 or account that focuses its investments in a certain type of issuer is particularly vulnerable to events affecting such type of issuer. Also, a fund or account 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 or accounts 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 and accounts 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 or account 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 or account 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.

Geographic Concentration
The value of the investments of a fund or account 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 or account as compared with a fund or account that does not have its holdings similarly concentrated. Events negatively affecting such location are therefore likely to cause the value of the fund's or account's shares to decrease, perhaps significantly.

Hedging Risk.
Certain subadvisers have engaged, and may in the future, engage in hedging transactions. To the extent a subadviser employs a hedging strategy, the success of any such hedging strategy will depend, in part, upon the subadviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of such hedging strategy will also be subject to the subadviser's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a subadviser may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if the subadviser had not engaged in such hedging transactions. Additionally, a subadviser may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. Moreover, there is no guarantee that such intended hedging strategy will be successful in hedging out the subject risks.

High-Yield Fixed Income Securities (Junk Bonds)
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 issuers is more complex than for higher-rated securities, making it more difficult for a fund's or account's subadviser to accurately predict risk. There is a greater risk with high-yield fixed income securities that an issuer will not be able to make principal and interest payments when due. If the fund or account pursues missed payments, there is a risk that fund or account 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.

Illiquid and Restricted Securities
Certain securities in which a fund or account invests may be difficult to sell at the time and price beneficial to the fund or account, 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 or account 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 account to incur expenses in addition to those normally associated with the sale of a security.

Income
The income shareholders receive from a fund or account is based primarily on the dividends and interest the fund or account 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 or account's preferred stock holdings and any bond holdings could drop as well. The fund's or account's income also would likely be affected adversely when prevailing short-term interest rates increase. In certain circumstances, a fund or account may be treated as receiving income even though no cash is received. A fund or account may not be able to pay distributions, or may have to reduce distribution levels, if the cash distributions that the fund or account 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.

Industry/Sector Concentration
The value of the investments of a fund or account 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 or account as compared with a fund or account that does not have its holdings similarly concentrated. Events negatively affecting the industries or market sectors in which a fund or account has invested are therefore likely to cause the value of the fund's shares or account's value to decrease, perhaps significantly.

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 or received by an account 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 or account may not pay any income and the fund or account 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 or account's value. If interest rates rise due to reasons other than inflation, a fund's or account'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 or account at the time of such adjustments (which generally would be distributed by the fund or account 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 or account'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.

IPO Risk

A fund or account may acquire common and preferred stock of issuers in an 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 or account 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 or account, affect performance, and may increase capital gain distributions, resulting in greater tax liability to the fund shareholders or account owners. At any particular time or from time to time, a fund or account 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 or account. 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 or account may decrease. The investment performance of a fund or account during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when the fund or account is able to do so. In addition, as a fund or account increases in size, the impact of IPOs on the fund's or account'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 or account 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 or account 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 or account 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 or account. The value of the shares of a fund or account 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 or account, for any reason, is unable to close out the transaction. In addition, to the extent a fund or account 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 or account's investment returns, resulting in greater losses. Leverage may also involve the creation of a liability that requires the fund or account to pay interest.

Limited Number of Investments
The risk that a fund's or account's portfolio will be more susceptible to factors adversely affecting issuers of securities in the fund's or account's portfolio than would a fund or account holding a greater number of securities.

Market Volatility
The value of the securities in which a fund or account invests may go up or down in response to the prospects of individual issuers 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 may expose each fund or account 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 a fund or account and its investments, hampering the ability of a fund's or account's portfolio manager(s) to invest a fund's or account's assets as intended.

Terrorism in the U.S. and around the world has had a 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.

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.

Mortgage-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. The impairment of the value of collateral underlying a mortgage-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 or account.

Early payoffs in the loans underlying such securities may result in a fund or account 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 or account 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.

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 arrangements. 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 or account.

Early payoffs in the loans underlying such securities may result in a fund or account 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 or account 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 or account may be more dependent on the analytical abilities of the subadviser than would be the case for a fund or account 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 or account'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 or account invests may have an impact on the fund's or account'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 or account'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 shares or account to fall. The frequency and magnitude of such changes cannot be predicted. A fund or account 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 or account's portfolio to a greater degree than if the fund's or account'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.

Portfolio Turnover
A fund's or account's investment strategy may result in consistently frequently high turnover rate. A high portfolio turnover rate may result in correspondingly greater brokerage commission expenses and the distribution to shareholders or accountholders 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 or account'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
Investing in companies that invest in real estate ("Real Estate Companies") exposes a fund or account 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 or account 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 a 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 a 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 or account'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 or account also may experience a decline in its income from REOC securities due to falling interest rates or decreasing dividend payments.

Redemption

The redemption from a fund by one or more large shareholders or groups of shareholders of their holdings in the 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 and accounts may enter into repurchase agreements, in which the fund or account purchases a security from a bank or broker-dealer that agrees to repurchase the security at the fund's or account's cost plus interest within a specified time. If the party agreeing to repurchase should default, the fund or account 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 and accounts may enter into reverse repurchase agreements and dollar rolls, subject to a fund's or account's limitations on borrowings. A reverse repurchase agreement involves the sale of a security by a fund or account 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 or account 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."

Sector Focused Investing

The value of the investments of a fund or account 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 or account as compared with a fund or account that does not have its holdings similarly focused. Events negatively affecting the market sectors in which a fund or account has invested are therefore likely to cause the value of the account or of the fund's shares to decrease, perhaps significantly.

Short-Term Investments
Short-term investments include 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 Risk
When a fund or account focuses its investments in companies the 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 that are otherwise consistent with its investment objective. Environmental performance criteria rate a company's management of its environmental challenges, including its effort to reduce or offset the impacts of its products and operations. Social criteria measure how well a company manages its impact on the communities where it operates, including its treatment of local populations, its handling of human rights issues, its commitment to philanthropic activities, its record regarding labor-management relations, anti-discrimination policies and practices, employee safety and the quality and safety record of a company's products, its marketing practices and any involvement in regulatory or anti-competitive controversies. Governance criteria address a company's investor relations and management practices, including company sustainability reporting, board accountability and business ethics policies and practices.

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

When a fund or account focuses on investing in companies that the subadviser believes exhibit strong ESG records, the fund or account 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 a limited number of issuers, sectors, industries or geographic regions, the fund or account is further subject to focused investment risk and is more susceptible to events or factors affecting companies in that particular sector, industry or geographic region. See "Focused Investments." The fund or account 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 such regions to maintain or expand their operations or their marketing efforts in affected countries or geographic regions. See "Foreign Investing" and "Emerging Market Risk."

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 a 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.

Unrated Fixed Income Securities
A fund's or account'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 or account'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 an account or 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.

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.

Tax Information (for tax-paying entities): Clients should also understand that VFA (or generally its subadvisers) may sell all or a portion of the securities in a client's account, either initially or during the course of the client's participation in any Wrap Program. Clients are responsible for all tax liabilities, including but not limited to foreign stamp duties, transfer taxes, and withholding taxes arising from these transactions. In addition, if the client is not a resident of the United States, the adverse tax consequences and other risks involved in investing in U.S. securities will be assumed by the client. Furthermore, ordinary income dividends, including distributions of short-term capital gain, paid by certain mutual funds to the client who are shareholders may be subject to a United States withholding tax under existing provisions of the Internal Revenue Service Code of 1986 applicable to non-U.S. individuals and entities, unless a withholding exemption is provided under applicable treaty law.

VFA does not, and will not, offer tax advice to clients on any such issues and clients are encouraged to seek the advice of a qualified tax professional. Clients should also understand that VFA is not responsible for making any tax credit or similar claim or any legal filing (including but not limited to proofs of claim) on a client's behalf.

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

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

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

Item 10 – Other Financial Industry Activities and Affiliations

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

VFA 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 multimanager asset management business (NASD: VRTS). Certain officers and directors of Virtus serve as officers of Virtus's indirect, wholly owned affiliates, including VFA.

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 VFA, 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. VFA is aware of, and has procedures to manage, its fiduciary duties and any potential conflicts that may arise related to providing services through affiliates.

VFA 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 Investment Advisers, Inc. ("VIA")

In providing services to its clients, VFA may use personnel or services of one or more of its affiliated investment advisers or other corporate affiliates, and VFA's affiliated investment advisers may use personnel or services of VFA. 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 VFA uses the personnel or services of an affiliate to provide services to VFA's clients, VFA remains responsible for the account from a legal and contractual perspective. Similarly, if an affiliated investment adviser uses the personnel or services of VFA 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.

VFA engages certain of its affiliated investment advisers to provide sub-advisory services with respect to certain open-end funds, CITs, Wrap Programs, and Investment Model Delivery/Asset Allocation to third parties managed by the affiliated investment advisers. Additional relationships of this nature can be entered into by VFA 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 VFA, as the hiring affiliated investment adviser.

VFA generally shares its fees with the entity providing sub-advisory services to VFA (in the case of certain affiliates, this is affected through the affiliated subadviser receiving the fee and allocating a portion of the fee to VFA through intercompany transactions); or in the case of VFA's nonaffiliated subadvisers participating in the CDP program, such subadvisers will pay VFA up to .10 bps.

VFA is not registered, and does not have an application pending to register, as a broker-dealer. However, an affiliate of VFA, 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 VFA and/or its affiliated investment advisers. Certain VFA 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 VFA's services and products. When VFA pays a fee to VPD for the efforts of VPD's employees to promote VFA's services, VPD is considered a solicitor for VFA as discussed further in "Item 14. Client Referrals and Other Compensation", below.

Ceredex, Seix, Silvant and SGA are affiliated subadvisers to funds for which VFA is the investment adviser.

In addition to serving VFA as an affiliated subadviser, NFJ is an affiliated subadviser to VFA's affiliate, VIA for which it manages the assets of certain open- and closed-end funds.

VFA is the investment adviser to the Virtus Asset Trust, a series of registered investment companies offered by the Virtus family of funds.

VFA, VAIA, VIA and VEA utilize some of the same affiliated and unaffiliated subadvisers as VFA, in managing open-end and closed-end registered investment companies, UCITS, and exchange traded funds.

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

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

Virtus Shared Services, LLC ("VSS") is an affiliate of VFA and provides certain back office services as well as trade and trade administrative services to VFA and certain VFA affiliates, including certain VFA subadvisers.

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 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 and Related Party Transactions
- 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; and
- 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 VFA 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. VFA 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 Fund Advisers, LLC, 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. VFA 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 VFA's handling of such conflicts are disclosed below.

- VFA, indirectly through affiliates, may manage simultaneously parallel accounts in some cases with the same portfolio managers, with similar objectives, but with differing fees to VFA or affiliates. VFA's policy is to manage each account independently and fairly, and recognizes and seeks to control the conflicts of interests inherent in such practices;
- VFA's affiliate personnel who provide administrative services to VFA's clients also will have information about VFA clients' investments;
- Certain VFA officers have officer titles at other VFA affiliates; and

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

VFA manages seed accounts owned by and sub-advised by one of its non-affiliated subadvisers. Seed account strategies that are or may be offered include the following: International Sustainability; Global Sustainability; Rising Disruptors; and Infrastructure Income strategies. Others may be added from time to time. Seed accounts are subject to the subadviser's trade rotation and trade allocation policy to mitigate potential conflicts of interest. VFA does not receive a fee for managing the seed accounts.

Item 12 – Brokerage Practices

As a result of our business model, we generally delegate brokerage and trading activity on behalf of our clients to 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.

Discretionary Clients

When VFA receives full discretionary authority to determine the broker to be used and the commission paid through whom transactions are executed, the subadvisers, subject to the supervision of VFA, 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 are primarily responsible for seeking "best execution" when effecting transactions for our client accounts. Each subadviser oversees its own execution quality and brokerage selection, typically by means of a brokerage committee or its equivalent. VFA 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 applicable Fund 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.

Non-Discretionary Clients

VFA also accepts accounts for which it does not have full discretionary authority. In these cases, VFA recommends purchases and sales of securities for such accounts, subject to the client's approval and implementation.

When VFA makes a recommendation that is accepted by a non-discretionary client, who chooses to execute the transaction without VFA's assistance, the nondiscretionary client may unknowingly purchase or sell securities at the same time as VFA's other nondiscretionary and/or discretionary clients, to the

potential mutual disadvantage. Alternatively, the nondiscretionary client may request VFA to place orders for the purchase or sale of the securities recommended and VFA may either be given the right (which is generally further delegated to the applicable subadviser) to determine the executing broker-dealer or the client may direct that such transactions be affected through specified broker-dealers. As a result, the timing of the non-discretionary client's transaction and price received may differ from that of other VFA clients because their transactions are typically executed after the transactions for VFA's fully discretionary accounts.

Trades for non-discretionary model accounts are executed after the orders in the same security for discretionary accounts have been completed. This may result in material performance dispersion between discretionary accounts and nondiscretionary model accounts.

Soft Dollar Programs

Subject to the requirements of seeking best execution; complying with any imposed client restrictions provided to VFA in writing; and complying with a "safe harbor" from the Securities Exchange Act of 1934, as amended, VFA'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 VFA'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. VFA'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 VFA's subadvisers' overall responsibility to the accounts for which it exercises investment discretion. VFA 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, VFA'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, VFA's subadvisers can be incented 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. VFA's subadvisers can be further incented if such broker-dealers require minimum levels of client commissions to provide research or brokerage services.

VFA'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. In the case of Wrap Programs, 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 VFA's (or our subadvisers') clients and not exclusively or specifically for the benefit of the client account or accounts whose transactions generated the commissions.

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

Execution Only Accounts

Unless otherwise agreed to in writing, clients who prohibit the generation of commission credits ("execution only accounts") should not necessarily expect to incur commission rates lower than the rates paid by our client accounts which generate commission credits because their respective portfolio trades are typically included in "bunched" trades effected on behalf of all client accounts buying the same security on the same day; will incur the same commission rate paid by other clients included in the trade; and the resulting commission rate may be higher than another broker-dealer would have charged.

Client directed prohibitions against generating commission credits will generally apply to only third-party research products and services. Any research products and services that are provided directly by a broker-dealer and bundled with their other brokerage services are usually obtained by directing transactions to that particular broker-dealer.

Commission Sharing Arrangements

VFA's subadvisers may, but are not required 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 VFA'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.

With respect to Wrap Programs, the Sponsor generally includes commissions and other trading costs in the Wrap Program fee and accordingly trading through the Sponsor is typically more cost effective to the Wrap Program client. Although VFA can provide no assurances of best execution, should VFA determine that the Sponsor is not able to provide best execution, where permitted by the Sponsor, VFA

may step out trades to an alternate broker-dealer which may result in additional trading costs. In such cases, accounts will bear transaction-specific commissions, commission equivalents or spreads on such trades (as applicable) in addition to the Wrap Program fees. These transaction fees or charges may be separately charged to the Wrap Program client account or reflected in the security net price paid or received.

Trades for non-Wrap Program client accounts in equity strategies are not traded together with trades for VFA's Wrap Program accounts in such strategies. Wrap Program transactions in such equity strategies are generally executed with the Sponsor or the Sponsor's designated broker because no separate commissions are charged. Where VFA or its subadvisers or service provider, would like to purchase or sell securities across client accounts in multiple wrap programs, several Sponsors or their designated broker-dealers will have to execute the trades. When VFA determines in its opinion that it is in the best interests of the Wrap Program account to utilize a step-out trade, the resulting trade may be aggregated with non-wrap and/or institutional accounts.

VFA will typically execute fixed income security transactions for wrap program client accounts away from the Sponsor or their designated broker-dealer. Therefore, such Wrap Program client accounts will bear additional transaction fees as described above.

To ensure that over time particular Wrap Program client accounts are not disadvantaged, VFA has implemented a random trade rotation process for its discretionary wrap program and nondiscretionary model Wrap Program client accounts. In accordance with such process, the order of priority in which trade instructions (or the updated model for the non-discretionary model wrap programs) are transmitted to each Sponsor is rotated based on a random sequence. Nonetheless, market impact, liquidity constraints or other factors could result in some Wrap Program and nondiscretionary Wrap Program accounts receiving less favorable trading results than others. The random trade rotation seeks to allocate trading opportunities such that, over time, no Sponsor receives preferential treatment as a result of the timing of the receipt of trade execution instructions (or recommendations).

Orders for the non-discretionary Sponsors are transmitted without awaiting confirmation from the Sponsor that the implementation and execution of the model has occurred. Therefore, trades for nondiscretionary Wrap Program accounts may be executed after the orders in the same security for discretionary wrap program accounts have been completed. This may result in material performance dispersion between the Wrap Program discretionary accounts and non-discretionary model accounts.

Item 13 – Review of Accounts

VFA provides discretionary investment supervisory services to investment companies ("registered investment companies"), specifically the VAT, registered under the Investment Company Act of 1940, as amended ("1940 Act"). VFA also provides investment advisory services to collective funds; UCITS authorized under the European Directive; institutional clients including pension and profit sharing plans, endowments and foundations, governmental entities, other corporate entities; and high net worth clients. The offering documents for the registered investment companies, UCITS and CITs, and client investment management agreements for our other institutional clients establish guidelines and restrictions with

respect to investment strategies that include the types of securities to be bought and sold. In addition, restrictions for Wrap Program clients are available to VFA through the Sponsor or a service provider. 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 VAT, we set the overall investment strategies; evaluate, select, and recommend to the Board of Trustees the subadvisers to manage all or part of the assets within these series; monitor and evaluate the subadvisers' investment programs and results; and review the accounts' compliance with the stated investment objectives policies and restrictions. Generally, our representatives meet with the respective Fund Board of Trustees at least quarterly to review the performance and other account attributes.

VFA's affiliated subadvisers that manage accounts under a sub-advisory contract with VFA perform the review at the client level.

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 VFA level upon account opening and periodically reviewed and updated as appropriate. In the case of Wrap Programs, affiliated and unaffiliated service providers are used. 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.

VFA's policy, as carried out through its affiliates who sub-advise client accounts, is to provide institutional separately managed account clients with quarterly reports listing current assets (as of the report date), which generally include summary information of account activity since the previous report. Some clients request reports or meeting booklets that contain portfolio holdings, portfolio characteristics and investment performance. Other special reports are prepared when requested. The frequency of reports depends upon the investment style and agreed upon timeframe of the client; however, VFA's general policy is to issue reports quarterly. You will receive statements from your custodian and certain clients will receive an additional report from VFA. Individual clients of Wrap Programs will generally receive reports directly from the Sponsor. These reports will differ in presentation and type of information presented, but should be consistent in regards to assets, contributions and withdrawals. Accounts are reviewed formally at least biennially to verify that account guidelines and objectives are being followed with regard to asset allocation, individual securities owned and other client specific factors. This review is performed by the client portfolio manager or designee and reviewed by the

portfolio manager. In addition, external events may trigger a non-periodic account review or action by the portfolio manager. These include, but are not limited to the following:

- Change in the fundamentals or performance expectations of a security held in an account;
- Change in investment strategy;
- Additions to or withdrawals from an account;
- Meeting with a client when its needs are reviewed and/or changed; or
- A material market or economic change.

Investors in mutual funds, UCITS and CITs receive reports from the respective transfer agent, administrator or custodian. Clients in Wrap Programs receive reports from the Sponsor. Sponsors, and not VFA, are generally responsible for providing their Wrap Program clients with written reports in accordance with their agreement.

VFA provides compliance and other reports as requested by the Board of Trustees of the VAT or Trustees of CITs.

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

VFA 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, Other Financial Industry Activities and Affiliations”, VFA and its personnel may provide services to VFA’s affiliates, and VFA may receive services from its affiliates. Such services may include investment advice for which the providing entity may be compensated directly or indirectly by the receiving entity.

As discussed in “Item 10, Other Financial Industry Activities and Affiliations”, above, VFA has arrangements with VPD whereby VFA compensates VPD for referrals in certain circumstances. Such arrangements are commonly referred to as “solicitation arrangements” and the persons or entities providing the solicitation services are commonly known as “solicitors.” The Investment Advisers Act of 1940, as amended, requires that when an affiliate acts as a solicitor for VFA such affiliate discloses to the potential client that the solicitor is affiliated with VFA. The compensation paid by VFA to VPD for these solicitation arrangements generally is structured as being all or a portion of any variable compensation paid by VPD or to its employee(s) relating to assets under management by VFA that were referred by

such employee(s), and in some cases the compensation also includes a percentage of VPD's costs with respect to employment of the individual(s).

While VFA currently does not compensate any unaffiliated third parties for client referrals, VFA may have relationships with certain consulting firms and other intermediaries. For example, VFA 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, VFA 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 VFA affiliates) that, among other things: (i) offers or includes products or services of VFA or an affiliate in a particular program; (ii) permits VFA 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 VFA; and/or (iii) refers or has referred a client to VFA. VFA may obtain products and/or services from consulting firms separate and apart from any recommendations made to clients for VFA'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 VFA or affiliates. VFA 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 VFA's investment advisory services over those of firms that do not provide the same payments and benefits.

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

VFA does not provide custodial services to its clients. Our clients are solely responsible for selecting banks or registered broker-dealers that are "qualified custodians" to provide custody of their assets. However, under the SEC's Custody Rule, VFA is deemed to have custody due to the fact that VFA can inform the custodian to remit investment advisory fees directly to VFA.

Generally, with the exception of our registered investment account clients, VFA does not select, recommend or require certain account custodians on behalf of clients.

You should receive quarterly custodial statements directly from your qualified custodian. We urge you to carefully review those statements and compare the custodial records to any statements we provide you. Comparing reports will allow you to determine whether account transactions, including advisory fees, are proper. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation of methodologies of certain securities.

Item 16 – Investment Discretion

We manage our clients' assets on a discretionary and non-discretionary basis and 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. Investment guidelines and restrictions must be provided to VFA in writing, and may impact performance.

- 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 VFA in writing.

- When managing accounts on a non-discretionary basis, we perform our duties in accordance with the limitations described in the client contract.

VFA'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

When granted discretionary authority to manage accounts, VFA will generally delegate to its subadvisers the responsibility to vote proxies, unless the client has explicitly reserved the authority for itself. The subadvisers may delegate to an unaffiliated third-party vendor the responsibility to review proxy proposals, make voting recommendations and cast votes. VFA seeks (or as applicable, requires its subadvisers to seek) to make voting decisions solely in the best interests of its clients and to enhance the economic value of the underlying portfolio securities held in its clients' accounts.

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

VFA will accept proxy voting responsibility only with written agreement with the client. Once VFA 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 VFA) and VFA will attempt to comply with the request if it is operationally possible.

VFA employs the use of subadvisers and delegates to the subadviser, subject to VFA's oversight, the responsibility to review proxy proposals, make voting recommendations and cast votes. VFA 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, VFA'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. The Committee members consider the information and recommendation and will then vote on that ballot item. As reflected in the firms' Proxy policies, the Committee 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 VFA 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 VFA 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 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.

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

To obtain a copy of the complete proxy voting guidelines or information about how your proxies were voted, please send a written request to sending a written request to Virtus Fund Advisers, LLC, Attn: Corporate Compliance, One Financial Plaza, Hartford, CT 06103 or by emailing a request to us at: InvestmentAdviser@Virtus.com.

VFA 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. VFA, it's 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.

VFA may abstain from voting client proxies if, based on its evaluation of relevant criteria, it determines 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.

Class Actions, Bankruptcies and Similar Claims:

Unless otherwise stipulated by law or written agreement, VFA, is not responsible to initiate and pursue litigation claims and related filings for class actions, bankruptcies, and similar claims on behalf of its

clients' accounts. VFA will attempt to forward to client materials it receives in this regard and will employ reasonable efforts to assist clients in responding to claims, but disclaims responsibility for any reasonable delays in transmission that may occur.

Unless otherwise stipulated by written agreement, VFA or generally its subadvisers, may at their discretion, elect to participate in bankruptcy proceedings, make investment-related elections and join creditors' committees on behalf of some or all of VFA's clients, but VFA and its subadvisers are not obligated to do so.

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. VFA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. VFA does not require or solicit prepayment of advisory fees six months or more in advance. VFA does not act as custodian for any client account. VFA has not been the subject of a bankruptcy proceeding.

APPENDIX A: PRIVACY POLICY

FACTS	WHAT DOES VIRTUS FUND ADVISERS, LLC 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?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: > Social Security Number and Account Balances > Transaction History > Assets > Risk Tolerance > Investment Experience When you are *no longer* our customer, we continue to share your information as described in this notice.
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

VIRTUS FUND ADVISERS

Who we are	
Who is providing this notice?	Virtus Fund Advisers, LLC

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?	We collect your personal information, for example, when you > 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?	Federal law gives you the right to limit only > 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 State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. > Virtus Fund Advisers, LLC does not share with our affiliates.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. > Virtus Fund Advisers, LLC does not share with our nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. > Virtus Fund Advisers, LLC doesn't jointly market.