Form ADV, Part 2A Firm Brochure

Item 1 – Cover Page

NEWFLEET ASSET MANAGEMENT

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

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March 29, 2023

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

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

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

Item 2 – Material Changes

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

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

It is important that you note that Newfleet is no longer a separate legal entity or independently registered with the SEC as an investment adviser. The SEC registered investment adviser is Virtus Fixed Income Advisers, LLC.

Since the last annual update of the "Newfleet" Brochure, dated July 29, 2022, the following items have been updated:

Item 4 – Advisory Business

- Updated AUM as of 12/31/2022.
- Remove references relating to management of the CDO.

Item 12 – Brokerage Practices

- Updated language regarding cross-trades.

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

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Item 4 – Advisory Business

Newfleet Asset Management, LLC, established in 1989, was an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”), a publicly traded company.

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

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

Newfleet Asset Management (“Newfleet”)

Seix Investment Advisors (“Seix”)

Stone Harbor Investment Partners (“Stone Harbor”)

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

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

Types of Investments

Newfleet offers a variety of fixed income investment strategies utilizing securities that include, but are not limited to, corporate bonds (both higher and lower rated), municipal bonds (both insured and uninsured), bank loans and foreign bonds.

Newfleet may also offer investment advice on the following types of investments:

- Mutual funds
- Closed-end funds
- Exchange-traded funds
- U.S. government securities
- Futures contracts

- Credit default swaps
- Collateral Loan Obligations
- Options
- Securitized Products - Commercial Mortgage Backed Securities, Non-Agency Residential Mortgage Backed Securities, Agency Mortgage Backed Securities, and Asset Backed Securities

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

Investment Strategies

A range of actively managed multi-sector strategies, as well as a floating rate strategy, high yield strategy and flexible credit strategy are offered by Newfleet. The multi-sector strategies are diversified, fixed income portfolios which employ sector analysis, sector allocation and a research intensive value approach for issue selection. The floating rate strategy invests primarily in the bank loan sector. The actively managed high-yield strategy invests primarily in high-yield fixed income securities. The actively managed flexible credit strategy primarily invests in bank loans and high-yield securities.

The individual issue selection process for securities is based on fundamental credit analysis, which includes reviewing financial statements to measure the issuers debt paying ability over the term of the bond, analyzing the bond’s sector and its future prospects, speaking with key issuer personnel, and/or reviewing the bond’s rating history with the major rating agencies and credit enhancer if insured. After reviewing the creditworthiness of the issuer, the bond’s price is reviewed on a historical basis and relative to similar issues in the market to determine fair valuation. Lastly, technical market conditions are analyzed, specifically the supply and demand of the issuer, sector, structure, or geographic region to identify the relative value of the individual bond.

Oversight continues with review of unusual price movements, online news and rating events, issuer financials and relative valuation changes among securities. Some of the tools utilized in the process include in-house credit research, broker-dealer research and strategy ideas, rating agency research and reports, Bloomberg, Barclay’s index reports, and proprietary portfolio reporting and analysis software. Independent third party credit research and market analysis are also utilized for the selection process.

Assets under Management

As of December 31, 2022, Newfleet managed approximately $7,873,912,083 in client assets, all managed on a discretionary basis. VFIA as a whole had a total of $30,411,609,456 of discretionary assets and $122,525,460 of non-discretionary assets under management as of December 31, 2022.

Item 5 – Fees and Compensation

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

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

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

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

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

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

Advisory fees for services under existing sub-advisory contracts for the Virtus registered investment companies range between 0.11% and 0.475%, depending upon the type and size of the portfolio. Fees for the Virtus Funds are paid monthly based on the annual rate. Fees for the

AdvisorShares Newfleet Multi-Sector Income ETF are based on the average daily net assets of the Fund and paid monthly based on the annual rate of 0.25%. Fees for the Dunham fund are described in Item 6. Specific advisory fees and expense related information may be found in the prospectus and/or statement of additional information for each registered investment company. Newfleet's basic fee schedules for separately managed accounts are:

Multi-Sector Core Plus	
$25 to $50 million	25 bps
$50 to $100 million	22.5 bps
Over $100 million	18.75 bps
Minimum Account Size	$25 million

Multi-Sector Opportunistic	
$25 to $50 million	30 bps
$50 to $100 million	25 bps
Over $100 million	20 bps
Minimum Account Size	$25 million

Multi-Sector Low Duration Core	
$25 to $50 million	20 bps
$50 to $100 million	18.75 bps
Over $100 million	15 bps
Minimum Account Size	$25 million

Multi-Sector Short Duration	
$25 to $50 million	25 bps
$50 to $100 million	22.5 bps
Over $100 million	18.75 bps
Minimum Account Size	$25 million

Floating Rate	
$50 to $100 million	35 bps
Over $100 million	30 bps
Minimum Account Size	$50 million

High Yield	
$25 to $50 million	30 bps
$50 to $100 million	25 bps
Over $100 million	20 bps
Minimum Account Size	$25 million

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

Newfleet receives annual collateral management fees and/or service fees, which range up to 0.25%, for the management of the CLO structured product.

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

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

Performance-Based Fees

Newfleet receives fees based upon documented performance metrics for designated client accounts. In all cases where Newfleet or its affiliates charge a performance-based fee, any such arrangements will comply with Section 205 of the Investment Advisers Act of 1940, as amended, and the rules thereunder, and all applicable laws and regulations.

Newfleet receives an annual base fee of 0.30% of assets under management and also a performance-based fee for managing the Dunham Corporate/Government Bond Fund. The performance fee is derived from a comparison of the net return of the fund's Class N shares to a comparative index. The performance fee will increase/decrease by 1 basis point (0.01%) for each 10 basis points (0.10%) of greater than or less than the comparative index. The fulcrum fee is derived by a maximum change to the base fee of 15 basis points (0.15%). The highest possible fulcrum fee is 0.45%; lowest is 0.15% (0.30% base fee plus or minus 0.15% performance fee). The fulcrum fee accrues daily and is paid monthly, based on the Fund's average daily net assets and the performance against the index over the prior rolling 12-month period.

Newfleet manages accounts that are charged an asset-based fee in the same strategy as the account that is charged a performance-based fee. In certain situations Newfleet may have an incentive to favor the performance-based fee account. To address this conflict of interest, Newfleet manages both types of accounts in a similar manner, with similar investments and similar allocations which we believe are in the Client's best interest. Newfleet has procedures in place to ensure that trades are allocated fairly among Clients.

Side by side Management

"Side-by-side management" refers to the simultaneous management of multiple types of client accounts or investment products. Newfleet manages numerous accounts with a variety of strategies, which may present conflicts of interest. To address these potential conflicts Newfleet has adopted procedures regarding trade allocation and aggregation, as well as cross transactions. More information about the trade allocation and trade aggregation policies of Newfleet and VFIA can be found in Item 12.

Item 7 – Types of Clients

Newfleet offers investment advice to investment companies, foundations, endowments, trusts, pension and profit sharing plans, corporations, public funds, multi-employer plans, private clients, structured products, wrap accounts and other business entities. Newfleet serves as investment manager of investment vehicles offered to non-US investors in the form of UCITS domiciled in Ireland, registered with and regulated by the Central Bank of Ireland.

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

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

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

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

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

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

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

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

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

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

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

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

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

Emerging Market Investing Risk. The risk that prices of emerging markets securities will be more volatile, or will be more greatly affected by negative conditions, than those of their counterparts in more established foreign markets.

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

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

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

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

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

Libor Risk. The London Interbank Offer Rate ("LIBOR") historically has been and currently is used extensively in the U.S. and globally as a "benchmark" or "reference rate" for various commercial and financial contracts, including corporate and municipal bonds, bank loans, asset-backed and mortgage-related securities, interest rate swaps and other derivatives. In July 2017, the head of the United Kingdom Financial Conduct Authority announced the intention to phase out the use of LIBOR by the end of 2021. USD 1-week and 2-month LIBOR settings ceased on December 31, 2021. All other USD LIBOR settings will cease after June 30, 2023. All GBP, EUR, CHR and JPY LIBOR settings ceased on December 31, 2021. Currently, the U.S. and other countries are working to replace LIBOR with alternative reference rates. Abandonment of or modifications to LIBOR could have adverse impacts on newly issued financial instruments and existing financial instruments that reference LIBOR.

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

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

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

Market Volatility Risk. The risk that the value of the securities in which the fund 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.

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

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

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

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

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

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

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

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

Cybersecurity Risk. In addition to the risks associated to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. A breach in cybersecurity refers to both intentional and unintentional events that may cause an account to lose proprietary information such as misappropriating sensitive information, access to digital systems to obtain client and financial information, corrupting data, or causing operational disruption. Similar adverse consequences could result from cybersecurity incidents affecting counterparties with which we engage in transactions, third-party service providers (e.g. a client account's custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. The Firm has in place risk management systems and business continuity plans which are designed to reduce the risks associated with these attacks, although there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed especially since we do not directly control the cybersecurity systems of issuers or third-party service providers.

Item 9 - Disciplinary Information

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

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

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

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

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

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

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

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

C. Material Relationships or Arrangements with Industry Participants

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

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

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

Global Subsidiaries

A description of VFIA's global subsidiaries follows below. These entities were established as subsidiaries of Stone Harbor prior to its acquisition by Virtus on January 1, 2022. The names of these entities may be changed to reflect "Virtus" branding and/or the entities may act under "Virtus" d/b/a names.

Stone Harbor Investment Partners (UK) LLP ("SH UK"). SH UK is located in the United Kingdom and registered with the Financial Conduct Authority ("FCA"). SH UK portfolio managers are also members of Stone Harbor's Investment Policy Committee. SH UK also provides various marketing, operational, portfolio management and other services.

Stone Harbor Investment Partners Limited (the "MANCO") was incorporated in Ireland as a private limited liability company under the Companies Act 2014 (as may be amended). The MANCO is authorized by the Central Bank of Ireland to act as a management company to UCITS funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and as an European Union alternative investment fund manager in accordance with the E.U. Directive on Alternative Investment Fund Managers ("AIFMD") and the AIFMD Regulations.

Virtus Global Partners Pte. Ltd. ("Singapore Ltd."), is solely dedicated to servicing advisory clients in Asia and holds a Capital Markets Services License by the Monetary Authority of Singapore. Virtus Global Partners Pte. Ltd. provides certain marketing, fund management and/or portfolio management services to certain Virtus affiliates. VFIA has entered into solicitation or referral arrangements with one or more of its global affiliates.

VP Distributors, LLC ("VPD") is an affiliated broker-dealer. VPD is a limited purpose broker-dealer that serves as principal underwriter and distributor of certain open-end mutual funds and ETFs subadvised by Seix and/or VFIA's affiliated investment advisers. Certain Seix personnel whose job responsibilities either require or are appropriate for registering as broker-dealer representatives are registered representatives of VPD.

(1) Investment Companies

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

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

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

(2) Investment Advisers/Broker-Dealers

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

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

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

- Ceredex Value Advisors LLC;
- Duff & Phelps Investment Management Co.;
- Kayne Anderson Rudnick Investment Management, LLC;
- NFJ Investment Group, LLC;
- Seix CLO Management LLC;
- Silvant Capital Management LLC;
- Stone Harbor Investment Partners (UK) LLP;
- Stone Harbor Investment Partners Limited;
- Stone Harbor Investment Partners PTE. LTD.;
- Sustainable Growth Advisers, LP;
- Virtus Alternative Investment Advisers, Inc.;
- Virtus ETF Advisers LLC;
- Virtus Fund Advisers, LLC; and
- Virtus Investment Advisers, Inc.
- Westchester Capital Management, LLC
- Westchester Capital Partners, LLC

As noted in Item 7 and in this Item 10 above, VFIA acts as an adviser or sub-adviser to various pooled investment vehicles (not all of which may be listed), including investment companies registered under the Investment Company Act of 1940, collective investment trusts, private funds and registered offshore funds such as Irish UCITS and Irish qualifying investor funds. Affiliates of VFIA serve in one or more capacities for certain of these funds as disclosed in the relevant fund offering materials.

(3) Private Partnerships

Newfleet, as a division of VFIA, serves as the Collateral Manager for a CLO Fund and CDO Fund.

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

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

D. Material Conflicts of Interest Relating to Other Investment Advisers

Newfleet serves as subadviser to certain of the Virtus Mutual Funds, the ETF, Virtus GF Multi-Sector Income Fund and Virtus GF Multi-Sector Short Duration Bond Fund, which offer investors a selection of fixed income and equity mutual funds and other pooled investment vehicles. When appropriate, Newfleet may recommend investment in these affiliated mutual funds and investment vehicles. To the extent that a Client chooses to invest all or a portion of its account in an affiliated mutual fund and investment vehicles, Newfleet does not charge an advisory fee on assets invested in affiliated mutual funds and investment vehicles, in addition to the advisory fees embedded in the mutual funds and investment vehicles.

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

A. Code of Ethics of VFIA (the firm)

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

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

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

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

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

- They have no influence or control over the transaction from which they will acquire a beneficial interest;

- The transaction is non-volitional on their part or the client's;
- The transaction is a purchase under an automatic dividend reinvestment plan or pursuant to the exercise of rights issues, pro-rata to them and other holders of the same class of the issuer's securities; or
- They have obtained, in advance, approval from someone authorized to grant such approval when circumstances indicate no reasonable likelihood of harm to the client or violation of applicable laws and regulations.

Code of Conduct

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

Code of Ethics

Employees are categorized as either Supervised, Access or Advisory Persons under our Code of Ethics.
All Supervised Persons are required to comply with the following:
- Instruct their brokers to directly provide our Compliance Department with duplicate copies of brokerage statements and trade confirmations or the electronic equivalent.
- Provide Initial Holdings Reports, Quarterly Transaction Reports, and Annual Certification and Holdings Reports, which our Compliance Department reviews for trading activity.
- Conduct their personal transactions consistent with the Code of Ethics and in a manner that avoids any actual or potential conflict of interest.

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

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

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

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

Other Related Policies and Procedures

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

In addition to the above, our policies set limitations on and require reporting of gifts, entertainment, business meals, sponsorships, business building and charitable donations, whether given or received.
Generally, our employees are prohibited from accepting or providing gifts or other gratuities from clients or individuals seeking to conduct business with us in excess of $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 Fixed Income Advisers, LLC Attn: Chief Compliance Officer, One Financial Plaza, Hartford, CT 06103 or by emailing a request to us at: **james.sena@virtus.com**.

Participation or Interest in Client Transactions

Newfleet and VFIA's affiliates may act as investment adviser to numerous Client accounts. Newfleet's employees and VFIA's affiliates may invest in securities they also recommend to

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

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

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

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

For the wrap program trading desk, the trader must wait at least two hours to execute a trade in the opposite direction or execute each side of a trade with a different broker. Should the wrap trading desk and the institutional trading desk happen to be trading the same securities in opposite directions, they will not be considered cross trades because the desks have different traders.

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

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

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

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

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

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

Item 12 – Brokerage Practices

Best Execution

Newfleet is aware of its fiduciary obligations to seek the "best execution" of client transactions. Best execution is a process that entails the efficient placement of orders, clearance, settlement, and overall execution quality, as well as the price obtained for the transaction. It is Newfleet's policy to seek the best execution available in light of the overall quality of brokerage and research services provided to it or its clients. Best execution involves reasonably seeking the most-favorable terms for a transaction under the circumstances. Each Newfleet office allocates client transactions to unaffiliated broker-dealers in the best interest of its clients, based on review of the current market, and the broker-dealer. A brokerage committee will perform periodic reviews of execution results and brokerage services.

Each Newfleet office generally determines the broker through whom securities transactions are to be affected. In selecting brokers for a portfolio transaction, Newfleet considers, without limitation, the overall direct net economic results to an account, including both price paid or received and any commissions and other costs paid, the efficiency with which the transaction is effected, the ability to effect the transaction at all where a large block is involved, the availability of the broker to stand ready to execute possibly difficult transactions in the future, responsiveness to Newfleet and the financial strength and stability of the broker.

From time to time, Newfleet utilizes the trading facilities of affiliated registered investment advisers, and affiliated registered investment advisers may use Newfleet's trading facilities.

The actual allocation of brokerage business may vary from year to year, depending on Newfleet's evaluation of all applicable considerations. In no case will Newfleet make binding commitments as to the level of trade volume it will allocate to a broker, nor will it commit to pay cash if an informal target is not met.

Research

Newfleet receives services relating to the investment decision process in the form of research reports and products that are furnished in the normal course of business by broker-dealers or other vendors which include, but are not limited to information regarding: the economy; industries; sectors of securities; individual companies; statistical information; taxation; political developments; legal developments; technical market action; pricing and appraisal services; credit analysis; risk measurement analysis and performance analysis. Research products and services provided by broker-dealers through which transactions are effected on behalf of client accounts are used for the benefit of all clients collectively. Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with security analysts. In addition, research services is sometimes provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists and government representatives. In some cases, research services are received from third parties but are provided to Newfleet by or through brokers.

Newfleet is aware of its fiduciary obligations to seek the "best execution" of client transactions. Best execution is a process that entails the efficient placement of orders, clearance, settlement, and overall execution quality, as well as the price obtained for the transaction. Best execution involves reasonably seeking the most-favorable terms for a transaction under the circumstances. Each Newfleet office allocates client transactions to unaffiliated broker-dealers in the best interest of its clients, based on review of the current market, and the broker-dealer. A brokerage committee specific to each office of Newfleet will perform periodic reviews of execution results and brokerage services.

Trade Aggregation and Allocation

Newfleet seeks, but is not obligated, to bunch orders for the purchase or sale of the same security for client accounts where Newfleet deems this to be appropriate and in the best interests of the accounts, consistent with applicable regulatory requirements. When a bunched order is filled in its entirety, each participating client account will participate at an average price for the bunched order on the same business day, and the transaction costs shall be shared pro-rata based on each client's participation in the bunched order, to the extent practical for the specific type of security. When a bunched order is only partially filled, the securities purchased will generally be allocated on a pro-rata basis to each account participating in the bunched order based upon the initial amount requested for the account, subject to certain exceptions (such as de minimis orders) and each participating account will participate at the average price for the bunched order on the same business day to the extent practicable. Municipal portfolio management personnel serve both Newfleet offices, other divisions of VFIA and other affiliates. In this capacity, the municipal portfolio management personnel may combine orders of all affiliates they serve according to the trade aggregation and allocation procedures noted here.

Newfleet performs investment advisory services for various clients and may give advice, and take action, with respect to any of those which may differ from the advice given, or the timing or nature of action taken, with respect to any one account, provided that over a period of time Newfleet, to the extent practical, allocates investment opportunities to each account on a fair and equitable basis relative to other similarly situated client accounts.

Cross-Transactions

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

However, cross trades also present a potential conflict of interest because Newfleet represents the interests of both the selling account and the buying account in the same transaction. As a result, clients for whom Newfleet executes cross trades bear the risk that one counterparty to the cross trade may be treated more favorably than the other party, particularly in cases where one party pays Newfleet higher management fees. Additionally, there is a risk that the price of a security bought or sold through a cross trade may not be as favorable as it might have been had the trade been executed in the open market.

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

"Soft Dollar" or Research/Execution Policy

Brokerage activity is not used to pay for the costs of any third party services received including, but not limited to, investment strategies, research, news, and quotation equipment. Any and all such services are paid with "hard dollars". Newfleet does receive unsolicited research from certain of the broker-dealers it trades with during the normal course of business.

Item 13 – Review of Accounts

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

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

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

Item 14 – Client Referrals and Other Compensation

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

As discussed in Item 10, above, Newfleet has arrangements with VPD and Virtus International whereby Newfleet compensates those entities for referrals in certain circumstances. Such arrangements are commonly referred to as "solicitation arrangements" and the persons or entities providing the solicitation services are commonly known as "solicitors." The Investment Advisers Act of 1940, as amended, requires that when an affiliate acts as a solicitor for Newfleet such affiliate discloses to the potential client that the solicitor is affiliated with Newfleet. The compensation paid by Newfleet to VPD and Virtus International for these solicitation arrangements generally is structured as being all or a portion of any variable compensation paid by VPD or Virtus International to its employee(s) relating to assets under management by Newfleet that were referred by such employee(s), and in some cases the compensation also includes a percentage of VPD's or Virtus International's costs with respect to employment of the individual(s).

With respect to Newfleet's management of UCITS funds, Newfleet or any of its affiliates providing management to such UCITS funds, at their discretion and where permitted by applicable law, can rebate part or all of the management fees charged to the UCITS funds to any UCITS fund shareholder or use part of such management fees to remunerate certain financial intermediaries of such UCITS funds for services provided to fund shareholders.
While Newfleet currently does not compensate any unaffiliated third parties for client referrals, Newfleet may have relationships with certain consulting firms and other intermediaries. For example, Newfleet 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, Newfleet 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 Newfleet affiliates) that, among other things: (i) offers or includes products or services of Newfleet or an affiliate in a particular program; (ii) permits Newfleet 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 Newfleet; and/or (iii) refers or has referred a client to Newfleet. Newfleet may obtain products and/or services from consulting firms separate and apart from any recommendations made to clients for Newfleet'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 Newfleet or affiliates. Newfleet 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 Newfleet's investment advisory services over those of firms that do not provide the same payments and benefits.

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

Item 15 – Custody

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

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

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

Item 16 – Investment Discretion

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

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

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

Class Action Lawsuits

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

Item 17 – Voting Client Securities

Although the nature of Newfleet's portfolios is such that ballots are rarely required, Newfleet has adopted proxy voting guidelines (the "Guidelines") to make every effort to ensure the manner in which shares are voted is in the best interest of clients and the value of the investment. Under the Guidelines, Newfleet sometimes delegates to a non-affiliated third party vendor the responsibility to review proxy proposals and make voting recommendations on behalf of Newfleet. Newfleet may also vote a proxy contrary to the Guidelines if we determine that such action is in the best interest of our clients.

Unless specifically agreed otherwise, Newfleet will not take action or render advice involving legal action on behalf of a client with respect to securities or other investments held in the client's account or issuer's thereof, which become the subject of legal notices or proceedings, including securities class actions and bankruptcies.

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

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

Item 18 – Financial Information

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