

PROSPECTUS June 4, 2025, as amended on August 5, 2025

VIRTUS ALPHASIMPLEX GLOBAL MACRO ETF
(TICKER: ASGM)

VIRTUS STONE HARBOR INTERNATIONAL BOND ETF*
(TICKER: XUSY)

each, a series of
VIRTUS ETF TRUST II

Each of the Virtus AlphaSimplex Global Macro ETF and the Virtus Stone Harbor International Bond ETF (each a “Fund” and, together, the “Funds”) is an actively managed exchange-traded fund (“ETF”). Shares of each Fund are listed on NYSE Arca, Inc. (the “Exchange”) and trade at market prices. The market price for each Fund’s shares may be different from its net asset value per share.

* Not open for investment.

Neither the Securities and Exchange Commission, the Commodity Futures Trading Commission (CFTC) nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

	<u>Page</u>
<u>RISK/RETURN SUMMARY INFORMATION – Virtus AlphaSimplex Global Macro ETF</u>	1
<u>INVESTMENT OBJECTIVE</u>	1
<u>FEES AND EXPENSES OF THE FUND</u>	1
<u>PORTFOLIO TURNOVER</u>	1
<u>PRINCIPAL INVESTMENT STRATEGY</u>	1
<u>PRINCIPAL RISKS</u>	3
<u>PERFORMANCE INFORMATION</u>	5
<u>MANAGEMENT OF THE FUND</u>	5
<u>PURCHASE AND SALE OF FUND SHARES</u>	6
<u>TAX INFORMATION</u>	6
<u>PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES</u>	6
<u>RISK/RETURN SUMMARY INFORMATION – Virtus Stone Harbor International Bond ETF</u>	6
<u>INVESTMENT OBJECTIVE</u>	6
<u>FEES AND EXPENSES OF THE FUND</u>	6
<u>PORTFOLIO TURNOVER</u>	7
<u>PRINCIPAL INVESTMENT STRATEGY</u>	7
<u>PRINCIPAL RISKS</u>	8
<u>PERFORMANCE INFORMATION</u>	10
<u>MANAGEMENT OF THE FUND</u>	10
<u>PURCHASE AND SALE OF FUND SHARES</u>	11
<u>TAX INFORMATION</u>	11
<u>PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES</u>	11
<u>ADDITIONAL INFORMATION REGARDING THE FUND'S INVESTMENT OBJECTIVE, STRATEGIES AND RISKS</u>	11
<u>MANAGEMENT OF THE FUND</u>	21
<u>INVESTMENT ADVISER</u>	21
<u>INVESTMENT SUB-ADVISER</u>	21
<u>MANAGER OF MANAGERS STRUCTURE</u>	22
<u>PORTFOLIO MANAGERS</u>	22
<u>BOARD OF TRUSTEES</u>	23
<u>OPERATIONAL ADMINISTRATOR</u>	23
<u>ACCOUNTING SERVICES ADMINISTRATOR, CUSTODIAN AND TRANSFER AGENT</u>	23
<u>DISTRIBUTOR</u>	23
<u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	23
<u>LEGAL COUNSEL</u>	24
<u>EXPENSES OF THE FUNDS</u>	24
<u>INVESTING IN THE FUND</u>	24
<u>DISTRIBUTION AND SERVICE PLAN</u>	24
<u>DETERMINATION OF NET ASSET VALUE</u>	24
<u>PREMIUM/DISCOUNT INFORMATION</u>	25
<u>FREQUENT TRADING</u>	25
<u>DISTRIBUTIONS</u>	25
<u>FEDERAL INCOME TAXES</u>	26
<u>FUND DISTRIBUTIONS</u>	26
<u>SALE OF FUND SHARES</u>	26
<u>TAX TREATMENT OF FUND SHAREHOLDERS</u>	26
<u>WITHHOLDING</u>	26
<u>CREATION UNITS</u>	27
<u>FUND WEBSITE AND DISCLOSURE OF PORTFOLIO HOLDINGS</u>	27
<u>OTHER INFORMATION</u>	27
<u>FINANCIAL HIGHLIGHTS</u>	27
<u>ADDITIONAL INFORMATION</u>	27

RISK/RETURN SUMMARY INFORMATION

INVESTMENT OBJECTIVE

The Virtus AlphaSimplex Global Macro ETF (the “Fund”) seeks capital appreciation by pursuing long-term positive returns independent of market cycles.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund (“Shares”). **You may incur customary brokerage commissions, and may pay other fees to financial intermediaries, when buying or selling Shares of the Fund, which are not reflected in the table or example set forth below.**

Shareholder Fees (fees paid directly from your investment): None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

Management Fee ¹	0.80%
Other Expenses ²	<u>0.00%</u>
Acquired Fund Fees and Expenses ²	<u>0.06%</u>
Total Annual Fund Operating Expenses	<u>0.86%</u>

- (1) The management fee is structured as a “unified fee,” out of which the Fund’s investment adviser pays all of the ordinary operating expenses of the Fund, except for the following expenses, each of which is paid by the Fund: the Fund’s management fee; payments under any 12b-1 plan; taxes and other governmental fees; brokerage fees, commissions and other transaction expenses; interest and other costs of borrowing; litigation or arbitration expenses; acquired fund fees and expenses; and extraordinary or other non-routine expenses of the Fund.
- (2) “Other Expenses” and “Acquired Fund Fees and Expenses” are based on estimated amounts for the current fiscal year.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain at current levels. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>1 Year</u>	<u>3 Years</u>
\$90	\$282

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities or other instruments (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund’s performance. The Fund is newly organized, and, as of the date of this Prospectus, has not had any portfolio turnover.

PRINCIPAL INVESTMENT STRATEGY

The Virtus AlphaSimplex Global Macro ETF attempts to participate in broad macroeconomic trends across global markets located in various countries including the United States, with the goal of outperforming typical long-only equity investments, including reducing drawdowns during protracted periods of stress. Macroeconomic trends represent larger themes at play across global economies and can include economic conditions such as growth, inflation, and or interest rate policy. It is an actively managed ETF.

AlphaSimplex Group, LLC (“AlphaSimplex”), the Fund’s sub-adviser, uses proprietary quantitative models designed to capitalize on technical and fundamental market behaviors and inefficiencies. The Fund seeks to achieve its investment objective by combining a “Futures Sleeve” and an “Equity Sleeve.” The Futures Sleeve comprises a variety of derivative instruments, including futures contracts, to achieve long and short exposures to global developed and emerging market equity and fixed-income securities, indices, currencies, and commodities. The Equity Sleeve is an actively managed portfolio that primarily consists of exchange traded funds designed to capture the total return of global equity markets. The Fund may also hold a significant portion of its assets in money market mutual funds and other short-term, high-quality investment-grade, U.S.-dollar denominated securities (the “Cash-Equivalent Portfolio”). The assets allocated to the Cash-Equivalent Portfolio are used primarily to serve as margin or collateral for the Fund’s investments in derivatives and, secondarily, to provide the Fund with incremental income and liquidity.

Futures Sleeve

The Futures Sleeve takes a systematic, quantitative approach that is designed to provide both capital appreciation and diversification. The Fund’s technical and fundamental models identify potential market inefficiencies and investment opportunities across global equity, fixed income, currency, and commodity markets. These models generate trading decisions based on either technical indicators or fundamental indicators. Technical indicators use signals that rely on trends in market prices, both in absolute and relative terms. Fundamental indicators utilize various macro-economic data meant to characterize the economic strength of various parts of different global economies. These can include measurements of growth, monetary policy decisions, sentiment, unemployment rates, manufacturing, global trade balances, as well as many others.

This component’s market exposures, which are expected to change over time, primarily include futures contracts across equities, fixed income, currencies, and commodities. The futures sleeve is designed to capture dynamic and time varying macro trends.

Although the Fund does not intend to invest in physical commodities directly, the Fund expects to gain its exposure to commodities and commodity-related derivatives by investing in a wholly owned subsidiary organized under the laws of the Cayman Islands that will make commodity-related investments (the “Subsidiary”). The Fund may invest up to 25% of its total assets in the Subsidiary. The strategies and risks described herein for the Fund are therefore also applicable to the Subsidiary.

Equity Sleeve

The Equity Sleeve is an actively managed portfolio that primarily consists of exchange traded funds (ETFs) designed to capture the total return of global equity markets. The sleeve may also invest in equity index futures. These ETFs and equity indices may be of any market capitalization, sector, or geographic location. Under normal market conditions, the Fund intends to invest 30% to 70% of its total assets in the Equity Sleeve.. The equity sleeve will provide strategic equity exposure and is not designed to capture macro trends.

Cash-Equivalent Component

Under normal market conditions, it is expected that no more than 25% of the Fund’s total assets will be dedicated to initial and variation margin payments relating to the Fund’s derivative transactions, including those held by the Subsidiary. The gross notional value of the Fund’s derivative investments, however, will generally exceed 25% of the Fund’s total assets, and may significantly exceed the total value of the Fund’s assets. The Fund expects to invest a portion of its assets in money market instruments (specifically, obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities) and other short-term, high-quality investment-grade, U.S.-dollar denominated securities (such as bankers’ acceptances, certificates of deposit, commercial paper, loan participations, repurchase agreements and time deposits) (the “Cash-Equivalent Portfolio”). AlphaSimplex will determine the percentage of the Fund’s assets that will be invested in the Cash-Equivalent Portfolio at any time. The assets allocated to the Cash-Equivalent Portfolio will be used primarily to serve as margin or collateral for the Fund’s investments in derivatives and, secondarily, to provide the Fund with incremental income and liquidity.

The percentage amounts set forth above pertaining to investments in the Cash-Equivalent Portfolio and initial and variation margin payments are not investment restrictions and the Fund may deviate from those stated amounts from time to time depending upon market conditions and other factors.

The Fund may engage in active and frequent trading of securities and other instruments.

The Fund is non-diversified, which means that it can invest a greater percentage of its assets in any one issuer than a diversified fund can.

PRINCIPAL RISKS

An investment in the Fund is subject to investment risks; therefore, you may lose money by investing in the Fund. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

Risks of Investing in a Global Macro ETF. Investment in Shares of the Fund involves unique risks that may be different from those associated with investments in more traditional asset classes, including liquidity risk and the potential for amplified losses or gains.

Derivatives Risk. Derivatives may result in increased volatility and the Fund may incur a loss greater than its principal investment.

Volatility Management Risk. The Fund's actual or realized volatility may materially exceed its intended volatility profile, which would increase the risk of investing in the Fund. Efforts to manage the Fund's volatility could limit the Fund's gains in rising markets and expose the Fund to additional costs.

Equity Securities Risk. The value of the stocks to which the Fund has exposure may be negatively affected by the financial market, industries in which the Fund invests, or issuer-specific events. Focus on a particular style of company may enhance that risk.

Fixed Income Securities Risks. Fixed income securities are subject to credit risk, interest rate risk, liquidity risk, maturity risk, yield curve risk and prepayment risk. These risks could affect the value of investments in which the Fund invests, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

- **Credit Risk.** If the issuer of a fixed income security fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline.
- **Interest Rate Risk.** The values of fixed income securities may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities.
- **Liquidity Risk.** Debt securities may be difficult to sell at an advantageous time or price due to limited market demand (resulting from a downgrade, a decline in price, or adverse conditions within the relevant market).
- **Maturity Risk.** The value of fixed income securities is dependent on their maturity. Generally, the longer the maturity of a debt security, the greater its sensitivity to changes in interest rates.
- **Yield Curve Risk.** Yield curve risk refers to the risk that changes in interest rates may affect yields of fixed-income securities differently for securities with different maturities. If the yield curve flattens, then the spread between long- and short-term yields narrows and if the yield curve steepens, then the spread between long-and short-term yields increases.
- **Prepayment Risk.** Issuers may prepay or call their fixed rate obligations when interest rates fall, forcing the Fund to reinvest in obligations with lower interest rates and the Fund may not benefit fully from the increase in value that other fixed income investments experience when interest rates decline.

Foreign Currency Transactions Risk. The Fund's transactions with respect to foreign currency may not be successful or have the effect of limiting gains from favorable market movements.

Commodity and Commodity-linked Instruments Risk. Commodities and commodity-linked instruments will subject the Fund's portfolio to greater volatility than investments in traditional securities, and will depend upon factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments or supply and demand disruptions. Commodity-linked instruments may experience returns different from the commodity they attempt to track and may also be exposed to counterparty risk.

Allocation Risk. If the Fund's exposure to equities and fixed income securities, or to other asset classes, deviates from the intended allocation, or if the Fund's allocation is not optimal for market conditions at a given time, the Fund's performance may suffer.

Counterparty Risk. There is risk that a party upon whom the Fund relies to complete a transaction will default.

Foreign Securities Risk. Having exposure to foreign securities subjects the Fund to additional risks such as tariff and global trade restrictions; increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. Additionally, to the extent that the reference assets of the Fund's derivative investments trade on an exchange that is closed when the Exchange is open, there are likely to be deviations between current pricing of a reference asset and stale asset pricing (i.e., the last quote from the foreign exchange market), resulting in premiums or discounts to NAV that are greater than those experienced by other ETFs.

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

Leverage Risk. When the Fund leverages its portfolio by borrowing or certain types of transactions or instruments, including derivatives, the Fund may be less liquid, may liquidate positions at an unfavorable time, and the volatility of the Fund's value may increase.

Illiquid Securities Risk. Certain securities in which the Fund invests may be difficult to sell at a time and price beneficial to the Fund, for example due to low trading volumes or legal restrictions.

Management Risk. AlphaSimplex's judgments about the attractiveness and potential appreciation of a security or other asset may prove to be inaccurate and may not produce the desired results.

ETF Risks. The risks of investing in ETFs typically reflects the risks of the types of instruments in which the ETF invests. Also, the Fund is an ETF and, as a result of this structure, is exposed to the following risks, among others:

- **Authorized Participant Risk.** The Fund has a limited number of financial institutions that may act as Authorized Participants, none of which are obligated to engage in creation or redemption transactions. To the extent these Authorized Participants exit the business or are unable or unwilling to process creation and/or redemption orders (either because of valuation difficulties or for other reasons), and no other Authorized Participant is able or willing to step forward to process creation and/or redemption orders, in either of these cases, Shares of the Fund may trade at a discount to net asset value ("NAV") and possibly face delisting.
- **Costs of Buying or Selling Shares.** Due to the costs of buying or selling Shares, including brokerage commissions and bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
- **Fluctuation of NAV; Unit Premiums and Discounts.** The NAV of the Shares will generally fluctuate with changes in the market value of the Fund's securities holdings, and it cannot be predicted whether Shares will trade below, at or above their NAV. If an investor purchases Shares at a time when the market price is at a premium to the NAV of the Shares or sells at a time when the market price is at a discount to the NAV of the Shares, then the investor may sustain losses that are in addition to any losses caused by a decrease in NAV.
- **Cash Transactions Risk.** The Fund expects that creations and redemptions may, at times, be effected primarily or entirely for cash, rather than primarily for in-kind securities. Accordingly, investments in Shares may be less tax-efficient than an investment in an ETF that generally distributes portfolio securities entirely in-kind.
- **No Assurance of Active Trading Market Risk.** Although the Shares in the Fund are approved for listing on the Exchange, there can be no assurance that an active trading market will develop and be maintained for the Shares of the Fund. In times of market stress, market makers or Authorized Participants may step away from their respective roles in making a market in the Fund's Shares, which could lead to wider bid/ask spreads and variances between the market price of the Fund's Shares and their underlying value.

- **Fund Shares Liquidity Risk.** In stressed market conditions, the market for an ETF's shares may become less liquid in response to deteriorating liquidity in the markets for the ETF's underlying portfolio holdings, which can result in wider bid/ask spreads and differences between the ETF's NAV and market price.

Market Risk. The value of the securities to which the Fund has exposure may go up or down (sometimes significantly) in response to the prospects of individual companies and/or general economic conditions, including local, regional or global events.

U.S. Government Securities Risk. U.S. Government securities may be subject to price fluctuations. An agency may default on an obligation not backed by the full faith and credit of the United States. Any guarantee on U.S. government securities does not apply to the value of the Shares.

Non-U.S. Government Securities Risk. Non-U.S. government securities are subject to repayment and default risks. In addition, in the event of default, there may be no legal or bankruptcy process by which such defaulted government debt may be collected in whole or in part.

Active and Frequent Trading Risk. Active and frequent trading may result in high transaction costs, which may lower the Fund's return, and realization of greater short-term capital gains.

Quantitative Model Risk. Investments selected using quantitative models may perform differently from the market as a whole or from their expected performance. There can be no assurance that use of a quantitative model will enable the Fund to achieve positive returns or outperform the market.

Short Sales Risk. Generally, to the extent the price of a security sold short increases between the time of the short sale and the time the Fund covers its short position, the Fund will incur a loss. The amount of a potential loss on an uncovered short sale transaction is theoretically unlimited.

Cash-Equivalent Portfolio Risk. The Fund is not a "money market" fund and will not seek to maintain a stable net asset value ("NAV"). Accordingly, the value of the Cash-Equivalent Portfolio and the Shares may decrease.

Valuation Risk. This is the risk that the Fund has valued certain securities or positions at a higher price than the price at which they can be sold. This risk may be especially pronounced for investments, such as derivatives, that may be illiquid or may become illiquid.

Non-Diversified Fund Risk. The Fund is considered non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent the Fund invests more of its assets in the securities of fewer issuers than would a diversified fund.

Small Fund Risk. The Fund may experience low trading volume and wide bid/ask spreads, and may be delisted if it does not meet certain conditions of the Exchange, which could negatively impact the value of the Fund.

PERFORMANCE INFORMATION

The Fund is new and therefore does not have a performance history for a full calendar year. Performance information for the Fund will be provided once it has annual returns for a full calendar year. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

MANAGEMENT OF THE FUND

Investment Adviser and Sub-Adviser

Virtus Alternative Investment Advisers, LLC (the "**Adviser**") is the Fund's investment adviser. Virtus ETF Trust II (the "**Trust**") and the Adviser have engaged AlphaSimplex Group, LLC (the "**Sub-Adviser**") as the Fund's sub-adviser to manage the Fund's investments, subject to the oversight and supervision of the Adviser and the Board of Trustees of the Trust (the "**Board**"). The Sub-Adviser is an affiliate of the Adviser.

Portfolio Managers

The following employees of the Sub-Adviser are the Fund's portfolio managers, each of whom is jointly and primarily responsible for the day-to-day management of the Fund's portfolio and has served in such position since the inception of the Fund's operations in 2025: Alexander D. Healy, Ph.D., Kathryn M. Kaminski, Ph.D., CAIA and Tansu Demirbilek.

PURCHASE AND SALE OF FUND SHARES

Unlike conventional investment companies, the Fund generally issues and redeems Shares on a continuous basis, at NAV, in aggregate blocks of shares or multiples thereof (“**Creation Units**”). The Fund’s Creation Units may be issued and redeemed only by certain large institutions, referred to as “**Authorized Participants**,” that enter into agreements with the Fund’s principal underwriter. Retail investors may acquire and sell Shares only on the Exchange through a broker-dealer. Shares of the Fund will trade on the Exchange at market price rather than NAV. As such, Shares may trade at a price greater than NAV (premium) or less than NAV (discount). Investors may incur costs attributable to the difference between the highest price a buyer is willing to pay to purchase Shares (bid) and the lowest price a seller is willing to accept for Shares (ask) when buying or selling Shares in the secondary market (the “**bid-ask spread**”). Information regarding the Fund’s NAV, market price, premiums and discounts, and bid-ask spreads is available on the Fund’s website at www.virtusetfs.com.

TAX INFORMATION

The Fund’s distributions generally are taxed as ordinary income, capital gains or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an IRA, in which case your distributions may be taxed as ordinary income when withdrawn from such arrangement.

PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Adviser, the Sub-Adviser or their affiliates may pay the intermediary for the sale of Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

RISK/RETURN SUMMARY INFORMATION

INVESTMENT OBJECTIVE

The Virtus Stone Harbor International Bond ETF (the “Fund”) seeks to provide a high level of current income, with capital appreciation as a secondary goal.

FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy, hold and sell shares of the Fund (“Shares”). **You may incur customary brokerage commissions, and may pay other fees to financial intermediaries, when buying or selling Shares of the Fund, which are not reflected in the table or example set forth below.**

Shareholder Fees (fees paid directly from your investment): None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment):

Management Fee ¹	0.45%
Other Expenses ²	<u>0.00%</u>
Total Annual Fund Operating Expenses	<u>0.45%</u>

- (1) The management fee is structured as a “unified fee,” out of which the Fund’s investment adviser pays all of the ordinary operating expenses of the Fund, except for the following expenses, each of which is paid by the Fund: the Fund’s management fee; payments under any 12b-1 plan; taxes and other governmental fees; brokerage fees, commissions and other transaction expenses; interest and other costs of borrowing; litigation or arbitration expenses; acquired fund fees and expenses; and extraordinary or other non-routine expenses of the Fund.
- (2) “Other Expenses” are based on estimated amounts for the current fiscal year.

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then sell all of your Shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain at current levels. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<u>1 Year</u>	<u>3 Years</u>
\$47	\$148

PORTFOLIO TURNOVER

The Fund pays transaction costs, such as commissions, when it buys and sells securities or other instruments (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual Fund operating expenses or in the example, affect the Fund's performance. The Fund is newly organized, and, as of the date of this Prospectus, has not had any portfolio turnover.

PRINCIPAL INVESTMENT STRATEGY

Under normal circumstances, the Fund invests at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in bonds. The Fund considers a bond to be an "international" bond if the issuer of the bond is economically tied to an international market country.

Stone Harbor Investment Partners ("Stone Harbor"), a division of Virtus Fixed Income Advisers, LLC, the Fund's sub-adviser, considers a bond to be economically tied to an international market country if (i) it is principally traded on the country's securities markets; (ii) it is issued by the country's government or any of its agencies, political subdivisions or instrumentalities; or (iii) the issuer is organized or principally operates in, derives a majority of its income from its operations within, or has a majority of its assets within the country. The Fund may invest in developed or emerging markets, including sovereign debt issued by countries in developed and emerging markets. As of the date of this Prospectus, Stone Harbor considers emerging markets to include those countries identified by the World Bank Group as being "low-income economies" or countries that are included in a JPMorgan emerging market bond index. The Fund's investments may be denominated in non-U.S. currencies or U.S. dollars.

The debt securities in which the Fund may invest include, but are not limited to, corporate debt securities, structured notes, convertible securities, securities issued by supranational organizations, fixed and floating rate commercial loans, loan participations and assignments, private placements and Rule 144A securities.

The Fund may also invest in derivative instruments for investment, market exposure or risk management purposes, including, but not limited to, credit linked notes, interest rate futures contracts, interest rate options, interest rate swaps, credit default swaps, index total return swaps, spot and forward foreign currency contracts, and currency futures.

The Fund may invest in securities of any credit rating (including unrated securities) and may invest without limit in higher risk, below-investment grade debt securities, commonly referred to as "high yield" securities or "junk bonds." Such securities may include those that are in default with respect to the payment of principal or interest.

While Stone Harbor will normally seek to maintain an average portfolio duration for the Fund of between two and seven years, the Fund's average portfolio duration may be outside that range and the Fund may invest in securities of any duration and maturity. Duration is a measure of a bond's interest rate risk, reflecting how much a bond's price will change in response to a change in interest rates.

The Fund is an actively managed ETF and, thus, does not seek to replicate the performance of a specified index of securities. Instead, it uses an active investment strategy that seeks to meet its investment objective.

The Fund may also focus its investments (i.e., invest more than 15% of its total assets) in one or more countries.

The Fund is non-diversified, which means that it can invest a greater percentage of its assets in any one issuer than a diversified fund can.

PRINCIPAL RISKS

An investment in the Fund is subject to investment risks; therefore, you may lose money by investing in the Fund. There can be no assurance that the Fund will be successful in meeting its investment objective. Generally, the Fund will be subject to the following principal risks:

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

Junk Bonds or High Yield Securities Risk. There is a greater risk of issuer default, less liquidity, and increased price volatility related to high-yield securities than investment grade securities.

Debt Securities Risks. Debt securities are subject to credit risk, interest rate risk, liquidity risk, maturity risk, yield curve risk and prepayment risk. These risks could affect the value of investments in which the Fund invests, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

- **Credit Risk.** If the issuer of a debt instrument fails to pay interest or principal in a timely manner, or negative perceptions exist in the market of the issuer's ability to make such payments, the price of the security may decline.
- **Interest Rate Risk.** The value of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced for securities with longer maturities. Adjustable rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).
- **Liquidity Risk.** Debt securities may be difficult to sell at an advantageous time or price due to limited market demand (resulting from a downgrade, a decline in price, or adverse conditions within the relevant market).
- **Maturity Risk.** The value of debt securities is dependent on their maturity. Generally, the longer the maturity of a debt security, the greater its sensitivity to changes in interest rates.
- **Yield Curve Risk.** Yield curve risk refers to the risk that changes in interest rates may affect yields of debt securities differently for securities with different maturities. If the yield curve flattens, then the spread between long- and short-term yields narrows and if the yield curve steepens, then the spread between long- and short-term yields increases.
- **Prepayment Risk.** Issuers may prepay or call their fixed rate obligations when interest rates fall, forcing the Fund to reinvest in obligations with lower interest rates and the Fund may not benefit fully from the increase in value that other fixed income investments experience when interest rates decline.

Foreign Currency Transactions Risk. The Fund's transactions with respect to foreign currency may not be successful or have the effect of limiting gains from favorable market movements.

Income Risk. Income received from the Fund may vary widely over the short- and long-term and/or be less than anticipated if the proceeds from maturing securities in the Fund are reinvested in lower-yielding securities.

Foreign Securities Risk. Investing in loans and securities of foreign issuers subjects the Fund to additional risks such as tariff and global trade restrictions increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. Additionally, to the extent that the underlying assets of the Fund trade on an exchange that is closed when the Exchange is open, there are likely to be deviations between current pricing of an underlying asset and stale asset pricing (i.e., the last quote from the foreign exchange market), resulting in premiums or discounts to NAV that are greater than those experienced by other ETFs.

Country/Geographic Region Risk. To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, it is more likely to be impacted by events or conditions affecting that country or region.

Non-U.S. Government Securities Risk. Non-U.S. government securities are subject to repayment and default risks. In addition, in the event of default, there may be no legal or bankruptcy process by which such defaulted government debt may be collected in whole or in part.

Derivatives Risk. 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 attempt to increase returns. Investments in derivatives may result in increased volatility and the Fund may incur a loss greater than its principal investment.

Loan Risk. In addition to the risks typically associated with junk bonds/high yield securities, the loans in which the Fund invests may be unsecured or not fully collateralized, may be subject to restrictions on resale, may be less liquid and may trade infrequently on the secondary market. Loans settle on a delayed basis; thus, sale proceeds may not be available to meet redemptions for a substantial period of time after the sale of the loan.

Structured Notes Risk. Structured notes are subject to interest rate risk, market risk, liquidity risk and counterparty risk. They are also subject to credit risk with respect to both the issuer and, if applicable, the reference asset or borrower. Structured notes may have a limited trading market, making it difficult to value or sell them at an acceptable price.

Convertible Securities Risk. The value of a convertible security may decline as interest rates rise and/or vary with fluctuations in the market value of the underlying securities. The security may be called for redemption at a time and/ or price unfavorable to the Fund.

Loan Participations and Assignments Risk. Loan participations and assignments are subject to the credit risk associated with the underlying corporate borrower. There is also a risk that there may not be a readily available market for participation loan interests, and, in some cases, this could result in the Fund disposing of such securities at a substantial discount from face value or holding such securities until maturity.

Illiquid Securities Risk. Certain securities in which the Fund invests may be difficult to sell at a time and price beneficial to the Fund, for example due to low trading volumes or legal restrictions.

Rule 144A Securities Risk. Investing in Rule 144A securities may reduce the liquidity of the Fund's investments, and the Fund may be unable to sell the security at the desired time or price, if at all.

Non-Diversified Fund Risk. The Fund is considered non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent the Fund invests more of its assets in the securities of fewer issuers than would a diversified fund.

Issuer Risk. The performance of the Fund depends on the performance of the issuers of the individual securities in which Fund invests. Poor performance by any issuer may cause the value of its securities, and the value of the Shares, to decline.

Market Risk. The value of the securities in the Fund may go up or down (sometimes significantly) in response to the prospects of individual companies and/or general economic conditions, including local, regional or global events.

Management Risk. Stone Harbor's judgments about the attractiveness and potential appreciation of a security or other asset may prove to be inaccurate and may not produce the desired results.

ETF Risks. The Fund is an ETF and, as a result of this structure, is exposed to the following risks, among others:

- **Authorized Participant Risk.** The Fund has a limited number of financial institutions that may act as Authorized Participants, none of which are obligated to engage in creation or redemption transactions. To the extent these Authorized Participants exit the business or are unable or unwilling to process creation and/or redemption orders (either because of valuation difficulties or for other reasons), and no other Authorized Participant is able or willing to step forward to process creation and/or redemption orders, in either of these cases, Shares of the Fund may trade at a discount to net asset value (“NAV”) and possibly face delisting.
- **Costs of Buying or Selling Shares.** Due to the costs of buying or selling Shares, including brokerage commissions and bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
- **Fluctuation of NAV; Unit Premiums and Discounts.** The NAV of the Shares will generally fluctuate with changes in the market value of the Fund’s securities holdings, and it cannot be predicted whether Shares will trade below, at or above their NAV. If an investor purchases Shares at a time when the market price is at a premium to the NAV of the Shares or sells at a time when the market price is at a discount to the NAV of the Shares, then the investor may sustain losses that are in addition to any losses caused by a decrease in NAV.
- **No Assurance of Active Trading Market Risk.** Although the Shares in the Fund are approved for listing on the Exchange, there can be no assurance that an active trading market will develop and be maintained for the Shares of the Fund. In times of market stress, market makers or Authorized Participants may step away from their respective roles in making a market in the Fund’s Shares, which could lead to wider bid/ ask spreads and variances between the market price of the Fund’s Shares and their underlying value.
- **Fund Shares Liquidity Risk.** In stressed market conditions, the market for an ETF’s shares may become less liquid in response to deteriorating liquidity in the markets for the ETF’s underlying portfolio holdings, which can result in wider bid/ask spreads and differences between the ETF’s NAV and market price.

Small Fund Risk. The Fund may experience low trading volume and wide bid/ask spreads, and may be delisted if it does not meet certain conditions of the Exchange, which could negatively impact the value of the Fund.

PERFORMANCE INFORMATION

The Fund is new and therefore does not have a performance history for a full calendar year. Performance information for the Fund will be provided once it has annual returns for a full calendar year. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

MANAGEMENT OF THE FUND

Investment Adviser and Sub-Adviser

Virtus Investment Advisers, LLC (the “**Adviser**”) is the Fund’s investment adviser. Virtus ETF Trust II (the “**Trust**”) and the Adviser have engaged Stone Harbor Investment Partners, a division of Virtus Fixed Income Advisers, LLC (the “**Sub-Adviser**”) as the Fund’s sub-adviser to manage the Fund’s investments, subject to the oversight and supervision of the Adviser and the Board of Trustees of the Trust (the “**Board**”). The Sub-Adviser is an affiliate of the Adviser.

Portfolio Managers

The following employees of the Sub-Adviser are the Fund’s portfolio managers, each of whom is jointly and primarily responsible for the day-to-day management of the Fund’s portfolio and has served in such position since the inception of the Fund’s operations in 2025: Stuart Sclater-Booth; James E. Craig, CFA; Simon Lau, CFA; and David Scott.

PURCHASE AND SALE OF FUND SHARES

Unlike conventional investment companies, the Fund generally issues and redeems Shares on a continuous basis, at NAV, in aggregate blocks of shares or multiples thereof (“**Creation Units**”). The Fund’s Creation Units may be issued and redeemed only by certain large institutions, referred to as “**Authorized Participants**,” that enter into agreements with the Fund’s principal underwriter. Retail investors may acquire and sell Shares only on the Exchange through a broker-dealer. Shares of the Fund will trade on the Exchange at market price rather than NAV. As such, Shares may trade at a price greater than NAV (premium) or less than NAV (discount). Investors may incur costs attributable to the difference between the highest price a buyer is willing to pay to purchase Shares (bid) and the lowest price a seller is willing to accept for Shares (ask) when buying or selling Shares in the secondary market (the “**bid-ask spread**”). Information regarding the Fund’s NAV, market price, premiums and discounts, and bid-ask spreads is available on the Fund’s website at www.virtusetfs.com.

TAX INFORMATION

The Fund’s distributions generally are taxed as ordinary income, capital gains or some combination of both, unless you are investing through a tax-advantaged arrangement, such as a 401(k) plan or an IRA, in which case your distributions may be taxed as ordinary income when withdrawn from such arrangement.

PAYMENTS TO BROKER-DEALERS AND OTHER FINANCIAL INTERMEDIARIES

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Adviser, the Sub-Adviser or their affiliates may pay the intermediary for the sale of Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

ADDITIONAL INFORMATION REGARDING THE FUND'S INVESTMENT OBJECTIVE, STRATEGIES AND RISKS

Additional Information Regarding the Fund's Objective. The Virtus AlphaSimplex Global Macro ETF ("Global Macro ETF") seeks capital appreciation by pursuing long-term positive returns independent of market cycles. The Virtus Stone Harbor International Bond ETF ("International Bond ETF") seeks to provide a high level of current income, with capital appreciation as a secondary goal. The investment objective of each of the Global Macro ETF and Virtus Stone Harbor International Bond (each, a "Fund" and, together, the "Funds") may be changed by the Board without shareholder approval upon 60 days' notice to the shareholders. There is no guarantee that a Fund will achieve its objective.

Additional Information Regarding the Global Macro ETF's Principal Investment Strategy. The Global Macro ETF attempts to participate in broad macroeconomic trends across global markets located in various countries including the United States, with the goal of outperforming typical long-only equity investments, including reducing drawdowns during protracted periods of stress. Macroeconomic trends represent larger themes at play across global economies and can include economic conditions such as growth, inflation, and or interest rate policy. It is an actively managed ETF.

AlphaSimplex uses proprietary quantitative models designed to capitalize on technical and fundamental market behaviors and inefficiencies. The Fund seeks to achieve its investment objective by combining a "Futures Sleeve" and an "Equity Sleeve." The Futures Sleeve comprises a variety of derivative instruments, including futures contracts, to achieve long and short exposures to global developed and emerging market equity and fixed-income securities, indices, currencies, and commodities. The Equity Sleeve is an actively managed portfolio that primarily consists of exchange traded funds designed to capture the total return of global equity markets. The Fund may also hold a significant portion of its assets in money market mutual funds and other short-term, high-quality investment-grade, U.S.-dollar denominated securities (the "Cash-Equivalent Portfolio"). The assets allocated to the Cash-Equivalent Portfolio are used primarily to serve as margin or collateral for the Fund's investments in derivatives and, secondarily, to provide the Fund with incremental income and liquidity.

Futures Sleeve

The Futures Sleeve takes a systematic, quantitative approach that is designed to provide both capital appreciation and diversification. The Fund's technical and fundamental models identify potential market inefficiencies and investment opportunities across global equity, fixed income, currency, and commodity markets. These models generate trading decisions based on either technical indicators or fundamental indicators. . Technical indicators use signals that rely on trends in market prices, both in absolute and relative terms. Fundamental indicators utilize various macro-economic data meant to characterize the economic strength of various parts of different global economies. These can include measurements of growth, monetary policy decisions, sentiment, unemployment rates, manufacturing, global trade balances, as well as many others.

This component's market exposures, which are expected to change over time, primarily include futures contracts across equities, fixed income, currencies, and commodities. The futures sleeve is designed to capture dynamic and time varying macro trends.

Although the Fund does not intend to invest in physical commodities directly, the Fund expects to gain its exposure to commodities and commodity-related derivatives by investing in a wholly owned subsidiary organized under the laws of the Cayman Islands that will make commodity-related investments (the "Subsidiary"). The Fund may invest up to 25% of its total assets in the Subsidiary. The strategies and risks described herein for the Fund are therefore also applicable to the Subsidiary.

Equity Sleeve

The Equity Sleeve is an actively managed portfolio that primarily consists of exchange traded funds (ETFs) designed to capture the total return of global equity markets. The sleeve may also invest in equity index futures. These ETFs and equity indices may be of any market capitalization, sector, or geographic location. Under normal market conditions, the Fund intends to invest 30% to 70% of its total assets in the Equity Sleeve. The equity sleeve will provide strategic equity exposure and is not designed to capture macro trends.

Cash-Equivalent Component

Under normal market conditions, it is expected that no more than 25% of the Fund's total assets will be dedicated to initial and variation margin payments relating to the Fund's derivative transactions, including those held by the Subsidiary. The gross notional value of the Fund's derivative investments, however, will generally exceed 25% of the Fund's total assets, and may significantly exceed the total value of the Fund's assets. The Fund expects to invest a portion of its assets in money market instruments (specifically, obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities) and other short-term, high-quality investment-grade, U.S.-dollar denominated securities (such as bankers' acceptances, certificates of deposit, commercial paper, loan participations, repurchase agreements and time deposits) (the "Cash-Equivalent Portfolio"). AlphaSimplex will determine the percentage of the Fund's assets that will be invested in the Cash-Equivalent Portfolio at any time. The assets allocated to the Cash-Equivalent Portfolio will be used primarily to serve as margin or collateral for the Fund's investments in derivatives and, secondarily, to provide the Fund with incremental income and liquidity.

The percentage amounts set forth above pertaining to investments in the Cash-Equivalent Portfolio and initial and variation margin payments are not investment restrictions and the Fund may deviate from those stated amounts from time to time depending upon market conditions and other factors.

The Fund may engage in active and frequent trading of securities and other instruments.

The Fund is non-diversified, which means that it can invest a greater percentage of its assets in any one issuer than a diversified fund can.

Certain fundamental and non-fundamental policies of each Fund are set forth in the Funds SAI under "Investment Restrictions."

Additional Information Regarding the International Bond ETF's Principal Investment Strategy. Under normal circumstances, the Fund invests at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in bonds. The Fund considers a bond to be an "international" bond if the issuer of the bond is economically tied to an international market country.

Stone Harbor Investment Partners considers a bond to be economically tied to an international market country if (i) it is principally traded on the country's securities markets; (ii) it is issued by the country's government or any of its agencies, political subdivisions or instrumentalities; or (iii) the issuer is organized or principally operates in, derives a majority of its income from its operations within, or has a majority of its assets within the country. The Fund may invest in developed or emerging markets, including sovereign debt issued by countries in developed and emerging markets. As of the date of this Prospectus, Stone Harbor considers emerging markets to include those countries identified by the World Bank Group as being "low-income economies" or countries that are included in a JPMorgan emerging market bond index. The Fund's investments may be denominated in non-U.S. currencies or U.S. dollars.

The debt securities in which the Fund may invest include, but are not limited to, corporate debt securities, structured notes, convertible securities, securities issued by supranational organizations, fixed and floating rate commercial loans, loan participations and assignments, private placements and Rule 144A securities.

The Fund may also invest in derivative instruments for investment, market exposure or risk management purposes, including, but not limited to, credit linked notes, interest rate futures contracts, interest rate options, interest rate swaps, credit default swaps, index total return swaps, spot and forward foreign currency contracts, and currency futures.

The Fund may invest in securities of any credit rating (including unrated securities) and may invest without limit in higher risk, below-investment grade debt securities, commonly referred to as "high yield" securities or "junk bonds." Such securities may include those that are in default with respect to the payment of principal or interest.

While Stone Harbor will normally seek to maintain an average portfolio duration for the Fund of between two and seven years, the Fund's average portfolio duration may be outside that range and the Fund may invest in securities of any duration and maturity. Duration is a measure of a bond's interest rate risk, reflecting how much a bond's price will change in response to a change in interest rates.

The Fund is an actively managed ETF and, thus, does not seek to replicate the performance of a specified index of securities. Instead, it uses an active investment strategy that seeks to meet its investment objective.

The Fund may also focus its investments (i.e., invest more than 15% of its total assets) in one or more countries.

The Fund is non-diversified, which means that it can invest a greater percentage of its assets in any one issuer than a diversified fund can.

Certain fundamental and non-fundamental policies of the Fund are set forth in the Fund's SAI under "Investment Restrictions."

Additional Information Regarding the Funds' Principal Risks.

Active and Frequent Trading Risk (Global Macro ETF only). The Fund may engage in active and frequent trading of securities and other instruments, including derivatives. Effects of frequent trading of securities and other instruments, including derivatives, may include high transaction costs, which may lower the Fund's return, and realization of greater short-term capital gains, distributions of which are taxable as ordinary income to taxable shareholders. Trading costs and tax effects associated with frequent trading may adversely affect the Fund's performance.

Allocation Risk (Global Macro ETF only). If the Fund's exposure to equities and fixed income securities, or to other asset classes, deviates from the allocation, or if the Fund's allocation is not optimal for market conditions at a given time, the Fund's performance may suffer.

Commodity and Commodity-Linked Instruments Risk (Global Macro ETF only). Having exposure to commodities or commodity-linked instruments may subject the Fund's portfolio to greater volatility than investments in traditional securities. The commodities markets may fluctuate widely based on a variety of factors, including changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates and investment and trading activities of registered funds, hedge funds and commodities funds. Prices of various commodities may also be affected by factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions and changes in transportation, handling and storage costs. Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers or groups of producers. As a result, political, economic and supply related events in such countries could have a disproportionate impact on the prices of such commodities. Because the Fund's performance may be linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Shares. Commodity investments typically do not have dividends or income and are dependent on price movements to generate returns. Commodity price movements can deviate from equity and fixed income price movements. The means by which the Fund seeks exposure to commodities, both directly and indirectly through the Subsidiary, will be limited by the Fund's intention to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended.

Convertible Securities Risk (International Bond ETF only). The market values of convertible securities are affected by market interest rates, the risk of actual issuer default on interest or principal payments and the value of the underlying common stock into which the convertible security may be converted. Additionally, a convertible security is subject to the same types of market and issuer risks as apply to the underlying common stock. Some convertible securities are subject to involuntary conversions and may undergo principal write-downs upon the occurrence of certain triggering events, and, as a result, are subject to an increased risk of loss. Convertible securities may be rated below investment grade.

Counterparty Risk (Global Macro ETF only). When the Fund engages in investment techniques in which it relies on another party to consummate the transaction, the Fund is subject to the risk of default by the other party. To the extent that the Fund enters into multiple transactions with a single or limited number of counterparties, the Fund will be subject to increased levels of counterparty risk. The Fund will be subject to the risk of the insolvency of its counterparties (such as broker dealers, futures commission merchants, other clearing brokers, banks or other financial institutions, exchanges or clearing houses).

The Fund's assets could be lost or impounded during a counterparty's bankruptcy or insolvency proceedings and a substantial portion or all of the Fund's assets may become unavailable to it either permanently or for a matter of years. Were any such bankruptcy or insolvency to occur, the Fund could miss significant profit opportunities.

There are increased risks in dealing with offshore brokers and unregulated trading counterparties, including the risk that assets may not benefit from the protection afforded to "customer funds" deposited with CFTC-regulated futures commission merchants (each, an "FCM"). AlphaSimplex may be required to post margin for its foreign exchange transactions with foreign exchange dealers who are not required to segregate customer funds. In the case of a counterparty's bankruptcy or inability to satisfy substantial deficiencies in other customer accounts, the Fund may recover, even in respect of property specifically traceable to the Fund's account, only a pro rata share of all property available for distribution to all of such counterparty's customers.

FCMs are required to segregate customer assets pursuant to CFTC regulations. If the assets of the Fund were not so segregated by its FCM, the Fund would be subject to the risk of the failure of such FCM. Even given proper segregation, in the event of the insolvency of an FCM, the Fund may be subject to a risk of loss of its funds and would be able to recover only a pro rata share (together with all other commodity customers of such FCM) of assets, such as U.S. Treasury bills, specifically traceable to the account of the Fund. In certain past FCM insolvencies, customers have, in fact, been unable to recover from the broker's estate the full amount of their "customer" funds. In addition, under certain circumstances, such as the inability of another client of an FCM or the FCM itself to satisfy substantial deficiencies in such other client's account, the Fund may be subject to a risk of loss of the assets on deposit with the FCM, even if such assets are properly segregated. In the case of any such bankruptcy or client loss, the Fund might recover, even in respect of property specifically traceable to the Fund, only a pro rata share of all property available for distribution to all of the FCM's clients.

AlphaSimplex is not restricted from dealing with any particular counterparty (regulated or unregulated) or from concentrating any or all of the Fund's transactions with a single counterparty or limited number of counterparties. Such concentration would increase the counterparty risks described above.

Country/Geographic Region Risk (International Bond ETF only). To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to that region or country's economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a significant portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments. Adverse conditions in a certain region or country can also adversely affect securities of issuers in other countries whose economies appear to be unrelated.

Cash-Equivalent Portfolio Risk (Global Macro ETF only). The Fund is not a "money market" fund and will not seek to maintain a stable net asset value ("NAV"). Accordingly, the value of the Cash-Equivalent Portfolio and the Shares may decrease.

Derivatives Risk. The value of a derivative instrument depends largely on (and is derived from) the value of an underlying security, currency, commodity, interest rate, index or other asset or market factor (collectively, "reference assets"). In addition to risks relating to the reference assets, the use of derivatives may include other, possibly greater, risks, including counterparty, leverage and liquidity risks. Counterparty risk is the risk that the counterparty to the derivative contract will default on its obligation to pay the Fund the amount owed or otherwise perform under the derivative contract. Derivatives create leverage risk because they do not require payment up front equal to the economic exposure created by owning the derivative. As a result, an adverse change in the value of the reference asset could result in a Fund sustaining a loss that is substantially greater than the amount invested in the derivative, which may make the Fund's returns more volatile and increase the risk of loss. Derivative instruments may also be less liquid than more traditional investments and a Fund may be unable to sell or close out its derivative positions at a desirable time or price. This risk may be more acute under adverse market conditions, during which the Fund may be most in need of liquidating its derivative positions. Derivatives may also be harder to value, less tax efficient and subject to changing government regulation that could impact the Fund's ability to use certain derivatives or their cost. Also, derivatives used for hedging or to gain or limit exposure to a particular market segment may not provide the expected benefits, particularly during adverse market conditions.

- **Futures Risk.** Futures trading may be speculative and volatile, and trading in the futures markets may result in volatile performance. The price movements of futures contracts are influenced by changing supply and demand relationships, agricultural, trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, crop diseases, climate, the purchasing and marketing programs of different nations, changes in interest rates and numerous other factors. In addition, governments occasionally intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rates. Government intervention is often intended to influence prices directly. A Fund cannot control these factors and therefore could incur substantial or total losses. In addition, the low margin deposits normally required to trade futures contracts (typically between 2% and 15% of the value of the contract purchased or sold) permit a high degree of leverage. For example, if 10% of the contract price is deposited as margin, a 10% decrease in the contract price would result in a total loss of the margin deposit before any deduction for brokerage commissions. A decrease of more than 10% of the contract price would result in a loss of more than the total margin deposit. Accordingly, a relatively small price movement in a contract may cause immediate and substantial losses to a Fund. The use of leverage may result in losses that exceed the amount of capital invested.

Equity Securities Risk (Global Macro ETF only). The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual issuers, industries or the stock market as a whole. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time. In a declining stock market, stock prices for all companies (including those in the Fund's portfolio) may decline, regardless of their long-term prospects. Common stock is subordinated to preferred stocks, bonds and other debt instruments in a company's capital structure, which results in holders of common stock being subject to more risks than holders of preferred stocks or debt instruments of such issuers in the event of bankruptcy of such issuers.

Emerging Markets Investments Risk. Investments in emerging markets are generally subject to greater market volatility, political, social and economic instability, uncertain trading markets and more governmental limitations than investments in more developed markets. Companies in emerging markets may be subject to less stringent regulatory, accounting, auditing, and financial reporting and recordkeeping standards than companies in more developed countries, which could impede the Sub-Adviser's ability to evaluate such companies or impact the Fund's performance. Securities laws and the enforcement of systems of taxation in many emerging market countries may change quickly and unpredictably, and the ability to bring and enforce actions may be limited or otherwise impaired. In addition, investments in emerging markets may experience lower trading volume, greater price fluctuations, delayed settlement, unexpected market closures and lack of timely information, and may be subject to additional transaction costs.

ETF Risks. The Fund is an ETF and, as a result of this structure, is exposed to the following risks, among others:

- *Authorized Participant Risk.* The Fund has a limited number of financial institutions that may act as Authorized Participants, none of which are obligated to engage in creation or redemption transactions. To the extent these Authorized Participants exit the business or are unable or unwilling to process creation and/or redemption orders (either because of valuation difficulties or for other reasons), and no other Authorized Participant is able or willing to step forward to process creation and/or redemption orders, in either of these cases, Shares of the Fund may trade at a discount to NAV and possibly face delisting.
- *Costs of Buying or Selling Shares.* Investors buying or selling Shares in the secondary market will pay brokerage commissions or other charges imposed by brokers as determined by those brokers. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors will also incur the cost of the difference between the price that an investor is willing to pay for Shares (the “bid” price) and the price at which an investor is willing to sell Shares (the “ask” price). This difference in bid and ask prices is often referred to as the “spread” or “bid/ask spread.” The bid/ask spread varies over time for Shares based on trading volume and market liquidity, and is generally lower if the Shares have more trading volume and market liquidity and higher if the Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Shares, including bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
- *Fluctuation of NAV; Unit Premiums and Discounts.* The NAV of the Shares will generally fluctuate with changes in the market value of the Fund’s securities holdings. The market prices of Shares will generally fluctuate in accordance with changes in the Fund’s NAV and supply and demand of Shares on the Exchange or any other exchange on which Shares are traded. It cannot be predicted whether Shares will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities of the Fund trading individually or in the aggregate at any point in time. The market prices of Shares may deviate significantly from the NAV of the Shares during periods of market volatility. While the creation/redemption feature is designed to make it likely that Shares normally will trade close to the Fund’s NAV, disruptions to creations and redemptions and/or market volatility may result in trading prices that differ significantly from the Fund’s NAV. If an investor purchases Shares at a time when the market price is at a premium to the NAV of the Shares or sells at a time when the market price is at a discount to the NAV of the Shares, then the investor may sustain losses that are in addition to any losses caused by a decrease in NAV. For example, during a “flash crash,” the market prices of the Shares may decline suddenly and significantly. Such a decline may not reflect the performance of the portfolio securities held by the Fund. Flash crashes may cause Authorized Participants and other market makers to limit or cease trading in the Shares for temporary or longer periods. Shareholders could suffer significant losses to the extent that they sell Shares at these temporarily low market prices.
- *Cash Transactions Risk (Global Macro ETF only).* Based on the nature of the Fund’s investments, the Fund expects that creations and redemptions may, at times, be affected primarily or entirely for cash, rather than primarily for in-kind securities. Therefore, it may be required to sell portfolio securities and subsequently recognize gains on such sales that the Fund might not have recognized if it were to distribute portfolio securities in-kind. As such, investments in Shares may be less tax-efficient than an investment in an ETF that generally distributes portfolio securities entirely in-kind. Additionally, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the Fund sold and redeemed its Shares principally in-kind, could be imposed on the Fund and thus decrease the Fund’s NAV to the extent they are not offset by the creation and redemption transaction fees paid by purchasers and redeemers of creation units.
- *No Assurance of Active Trading Market Risk.* Although the Shares in the Fund are approved for listing on the Exchange, there can be no assurance that an active trading market will develop and be maintained for the Shares of the Fund. Further, market makers (other than lead market makers) have no obligation to make markets in the Shares and may discontinue doing so at any time without notice. As a new fund, there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case the Fund may ultimately liquidate.

- *Fund Shares Liquidity Risk.* Trading in Shares may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable. In addition, trading in Shares is subject to trading halts caused by extraordinary market volatility pursuant to “circuit breaker” rules. There can be no assurance that the requirements necessary to maintain the listing of the Shares will continue to be met or will remain unchanged. During stressed market conditions, the liquidity of Shares may be less than the liquidity of the securities in the Fund’s portfolio, which may be significantly less than the liquidity of other ETFs.
- *Early Closing Risk.* An unanticipated early closing of the Exchange may result in a shareholder’s inability to buy or sell Shares on that day.
- *Redeeming Risk.* Shares in the Fund generally may be redeemed only in Creation Units and only by Authorized Participants. All other persons or entities transacting in Shares must generally do so in the secondary market. *Small Fund Risk.* The Fund may experience low trading volume and wide bid/ask spreads. In addition, the Fund may face the risk of being delisted if the Fund does not meet certain conditions of the Exchange. If the Fund were to be required to delist from the Exchange, the value of the Fund may rapidly decline and performance may be negatively impacted. In addition, any resulting liquidation of the Fund could cause the Fund to incur elevated transaction costs for the Fund and negative tax consequences for its shareholders.

Fixed Income/Debt Securities Risks. These types of securities are subject to credit risk, interest rate risk, maturity risk and yield curve risk, among other risks. These risks could affect the value of the fixed income/debt securities to which a Fund has exposure, possibly causing the Fund’s share price and total return to be reduced and fluctuate more than having exposure to other types of investments.

- *Credit Risk.* The value of these securities is dependent on the creditworthiness of their issuers. A deterioration in the financial condition or credit rating of an issuer, changes in the market’s perception of the issuer’s financial strength, or a deterioration in general economic conditions may have an adverse effect on the value of the investment and may cause an issuer to fail to pay principal and interest when due.
- *Interest Rate Risk.* The value of these securities will generally vary inversely with the direction of prevailing interest rates. Generally, when interest rates rise, the value of fixed income/debt securities is expected to decline. Additionally, changes in market interest rates of fixed income/debt securities may affect the spread between the long-term interest rates and short-term interest rates, which could affect the prices of the fixed income/debt securities to which a Fund has exposure differently.
- *Liquidity Risk.* Liquidity risk is the risk that a security may be difficult to sell at an advantageous time or price due to limited market demand (resulting from a downgrade, a decline in price, or adverse conditions within the relevant market).
- *Maturity Risk.* The value of these securities is dependent on their maturity. Generally, the longer the maturity of a fixed income/debt security, the greater its sensitivity to changes in interest rates.
- *Yield Curve Risk.* Yield curve risk refers to the risk that changes in interest rates may affect yields of fixed-income securities differently for securities with different maturities. If the yield curve flattens, then the spread between long- and short-term yields narrows and if the yield curve steepens, then the spread between long- and short-term yields increases.
- *Prepayment Risk.* Issuers may prepay or call their fixed rate obligations when interest rates fall, forcing a Fund to reinvest in obligations with lower interest rates, and the Fund may not benefit fully from the increase in value that other fixed income investments experience when interest rates decline.

Foreign Currency Transactions Risk. Foreign currency transactions may not prove successful or may have the effect of limiting gains from favorable market movements. The Fund may use derivatives to acquire positions in various currencies, which presents the risk that the Fund could lose money on its exposure to a particular currency and also lose money on the derivative. The Fund also may take positions in currencies that do not correlate to the currency exposure presented by the Fund’s other investments. As a result, the Fund’s currency exposure may differ, in some cases significantly, from the currency exposure of its other investments and/or its benchmark.

Foreign Securities Risk. Having exposure to securities of foreign issuers subjects the Fund to risks not usually associated with having exposure to securities of U.S. issuers, including tariff and global trade restrictions. There is generally less publicly available information about foreign companies, particularly those not subject to the disclosure and reporting requirements of U.S. securities laws. Foreign issuers are generally not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice, including recordkeeping standards, comparable to those applicable to domestic issuers. Having exposure to foreign securities also involves the risk of possible adverse changes in investment or exchange control regulations or currency exchange rates, expropriation or confiscatory taxation, limitation on the removal of cash or other assets from foreign markets, political or financial instability, or diplomatic and other developments which could affect such securities. Further, economies of particular countries or areas of the world may differ favorably or unfavorably from the economy of the United States. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit greater price volatility. Having exposure to foreign markets also involves currency risk, which is the risk that the values of securities denominated in foreign currencies will decrease due to adverse changes in the value of the U.S. dollar relative to the value of foreign currencies. Additionally, to the extent that the underlying assets of the Fund trade on an exchange that is closed when the Exchange is open, there are likely to be deviations between current pricing of an underlying asset and stale asset pricing (i.e., the last quote from the foreign exchange market), resulting in premiums or discounts to NAV that are greater than those experienced by other ETFs.

Illiquid Securities Risk. Certain securities in which the Fund invests may be difficult to sell at a time and price beneficial to the Fund, for example due to low trading volumes or legal restrictions. When there is no willing buyer or a security cannot be readily sold, the Fund may have to sell at a lower price or may be unable to sell the security at all.

Income Risk (International Bond ETF only). The income that a shareholder receives from a Fund is based primarily on the interest it earns from the Fund's investments, which can vary widely over the short and long-term. If prevailing market interest rates drop, distribution rates of the Fund's bond holdings could drop as well. The Fund's income also would likely be affected adversely when prevailing short-term interest rates increase.

Issuer Risk (International Bond ETF only). The performance of the Fund depends on the performance of the issuers of the individual securities in which Fund invests. Poor performance by any issuer may cause the value of its securities, and the value of the Shares, to decline.

Junk Bonds or High Yield Securities Risk (International Bond ETF only). High yield securities and unrated securities of similar credit quality are considered to be speculative with respect to the issuer's continuing ability to make principal and interest payments and are generally more susceptible to default or decline and subject to greater levels of credit risk than investment grade securities. High yield securities are usually issued by companies without long track records of sales and earnings, or by companies with questionable credit strength. These fixed income securities are considered below "investment grade." The retail secondary market for these "junk bonds" may be less liquid than that of higher-rated fixed income securities, and adverse conditions could make it difficult at times to sell these securities or could result in lower prices than higher-rated fixed income securities. Prices of high yield debt securities tend to be very volatile. These risks can reduce the value of the Shares and the income the Fund earns.

Leverage Risk (Global Macro ETF only). When the Fund makes investments in futures contracts, swaps and other derivative instruments, those derivatives provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. When the Fund uses leverage through activities such as borrowing, entering into short sales, purchasing securities on a when-issued basis, or purchasing derivative instruments in an effort to increase its returns, the Fund has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the Fund. The value of the shares of a fund employing leverage will be more volatile and sensitive to market movements. Leverage may also involve the creation of a liability that requires the Fund to pay interest.

Loan Risk (International Bond ETF only). The loans in which the Fund may invest 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. To the extent that a secondary market does exist for certain loans, the market may be subject to volatility, irregular trading activity, wide bid/ask spreads, decreased liquidity and extended trade settlement periods, any of which may impair the Fund's ability to sell loans within its desired time frame or at an acceptable price and its ability to accurately value existing and prospective investments. Extended trade settlement periods for certain loans may result in cash not being immediately available to the Fund upon sale of the loan. As a result, the Fund may have to sell other investments with shorter settlement periods or engage in borrowing transactions to raise cash to meet its obligations. Loans are also subject to the risk of price declines and to increases in prevailing interest rates, although the floating rate loans in which the Fund generally invests are substantially less exposed to this risk than fixed-rate debt instruments. In addition, loans held by the Fund may not be considered "securities" under the federal securities laws and therefore the Fund may not receive the same investor protections with respect to such investments that are available to purchasers of investments that are considered "securities" under the federal securities laws.

Loan Participations and Assignments Risk (International Bond ETF only). A loan participation agreement involves the purchase of a share of a loan made by a bank to a company in return for a corresponding share of the borrower's principal and interest payments. Loan participations of the type in which the Fund may invest include interests in both secured and unsecured corporate loans. When the Fund purchases loan assignments from lenders, it will acquire direct rights against the borrower, but these rights and the Fund's obligations may differ from, and be more limited than, those held by the assignment lender. The principal credit risk associated with acquiring loan participation and assignment interests is the credit risk associated with the underlying corporate borrower. There is also a risk that there may not be a readily available market for participation loan interests, and, in some cases, this could result in the Fund disposing of such securities at a substantial discount from face value or holding such securities until maturity.

Management Risk. Because the Fund is actively managed, an investment in the Fund is subject to the risk that the investment process, techniques and risk analyses applied by a sub-adviser will not produce the desired results, and that the Fund's investments may underperform the market or applicable benchmarks. The NAV of the Shares changes daily based on the performance of the securities and other instruments in which the Fund invests. Different types of securities and other instruments tend to shift into and out of favor with investors depending on market and economic conditions. There is no guarantee that a sub-adviser's judgments about the attractiveness or value of particular investments will be correct or produce the desired results. If a sub-adviser fails to accurately judge potential investments, the Share price may be adversely affected.

Market Risk. The value of securities to which the Fund has exposure may decline due to daily fluctuations in the securities markets that are generally beyond the Fund's control, including the quality of the Fund's investments, economic conditions, adverse investor sentiment, poor management decisions, lower demand for a company's goods or services, and general market conditions. In a declining market, the prices for all securities (including those to which the Fund has exposure) may decline, regardless of their long-term prospects. Security values tend to move in cycles, with periods when securities markets generally rise and periods when they generally decline. In addition, local, regional or global events such as war (e.g., Russia's invasion of Ukraine, and the Israel-Hamas war), acts of terrorism, natural or environmental disasters, the spread of infectious illnesses or other public health issues, economic crisis, or other events could have a significant impact on the Fund, its investments and the trading of its Shares.

Non-Diversified Fund Risk. The Funds are considered non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a diversified fund.

Non-U.S. Government Securities Risk. When the Fund has exposure to debt instruments issued by a government outside the U.S., the Fund is exposed to the risks that: (a) the governmental entity that controls the repayment of government debt may not be willing or able to repay the principal and/or to pay the interest when it becomes due, due to factors such as political considerations, the relative size of the governmental entity's debt position in relation to the economy, cash flow problems, insufficient foreign currency reserves, the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies, and/or other national economic factors; (b) the issuing government may default on its debt instruments, which may require holders of such securities to participate in debt rescheduling; and (c) there is no legal or bankruptcy process by which defaulted government debt may be collected in whole or in part.

Quantitative Model Risk (Global Macro ETF only). The Fund relies heavily on quantitative models, which are constructed using information and data supplied by third-party vendors. When a model proves to be incorrect or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. The success of relying on such models may depend on the accuracy and reliability of historical data supplied by third-party vendors. All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is inputted correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics such as derivative securities, or may perform differently from their expected performance for many reasons, including factors used in building the quantitative analytical framework, the weights placed on each factor, and changing sources of market returns.

Risks of Investing in a Global Macro ETF (Global Macro ETF only). As a Global Macro ETF, investment in Shares can be considered an alternative investment (i.e., one that utilizes less traditional investment tools, such as short sales and leverage, and is therefore supplemental to more traditional long-only strategies). Alternative investments involve unique risks that may be different from those associated with investments in more traditional asset classes (e.g., stocks or bonds), such as liquidity risk and the potential for amplified losses or gains. Investment in a Global Macro ETF that utilizes an alternative investment strategy may not be appropriate for every investor seeking a particular risk profile.

Rule 144A Securities Risk (International Bond ETF only). Rule 144A securities are considered restricted securities because they are not registered for sale to the general public and may only be resold to certain qualified institutional buyers. The market for Rule 144A securities typically is less active than the market for publicly-traded securities. As such, investing in Rule 144A securities may reduce the liquidity of the Fund's investments, and the Fund may be unable to sell the security at the desired time or price, if at all. The purchase price and subsequent valuation of Rule 144A securities normally reflect a discount (which may be significant) from the market price of comparable unrestricted securities for which a liquid trading market exists.

Small Fund Risk. The Fund may experience low trading volume and wide bid/ask spreads. In addition, the Fund may face the risk of being delisted if the Fund does not meet certain conditions of the Exchange. If the Fund were to be required to delist from the Exchange, the value of the Fund may rapidly decline and performance may be negatively impacted. In addition, any resulting liquidation of the Fund could cause the Fund to incur elevated transaction costs for the Fund and negative tax consequences for its shareholders.

Short Sales Risk (Global Macro ETF only). The Fund may engage in short sales, which are transactions in which the Fund sells a security that it does not own (or that it owns but does not intend to deliver) in anticipation that the price of the security will decline. In order to establish a short position in a security, the Fund must first borrow the security from a broker or other institution to complete the sale. The Fund may not always be able to borrow a security, or to close out a short position at a particular time or at an acceptable price. If the price of the borrowed security increases between the date of the short sale and the date on which the Fund replaces the security, the Fund may experience a loss. The Fund's loss on a short sale is limited only by the maximum attainable price of the security (which could be limitless) less the price the Fund paid for the security at the time it was borrowed.

Structured Notes Risk (International Bond ETF only). Structured notes are derivative debt instruments with principal and/or interest payments linked to the value of a reference asset. The payments on a structured note may vary based on changes in one or more specified reference assets, such as a floating interest rate compared to a fixed interest rate or the exchange rates between two currencies, which may cause significant price fluctuations. If the reference asset does not perform as anticipated, the structured note might pay less interest than the stated coupon payment or repay less principal upon maturity. Structured notes are subject to interest rate risk, market risk, liquidity risk and counterparty risk. They are also subject to credit risk with respect to both the issuer and, if applicable, the reference asset or borrower. Structured notes may have a limited trading market, making it difficult to value or sell them at an acceptable price.

Subsidiary Risk (Global Macro ETF only). By investing in the Subsidiary, the Fund will be indirectly exposed to the risks associated with the Subsidiary's investments, although the investment program followed by the Fund and the Subsidiary are not identical. The commodity futures held by the Subsidiary are generally similar to the futures contracts held by the Fund and will be subject to the same risks that apply to those investments. There can be no assurance that the investment objective of the Subsidiary will be achieved. The Subsidiary is not registered under the 1940 Act and, although the Subsidiary is subject to the same fundamental, non-fundamental and certain other investment limitations as the Fund, the Subsidiary is not subject to all the investor protections of the 1940 Act. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the Fund and/or the Subsidiary to operate as described in this prospectus and the Fund's SAI, and could adversely affect the Fund. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the Subsidiary. If the Cayman Islands law changes such that the Subsidiary must pay Cayman Islands taxes, shareholders of the Fund would likely suffer decreased investment returns.

Temporary Defensive Positions. In certain adverse market, economic, political or other conditions, the Fund may temporarily depart from its normal investment policies and strategies. At such times, the Fund may invest in cash or cash equivalents, such as money market instruments, and to the extent permitted by applicable law and the Fund's investment restrictions, shares of other investment companies, including money market funds. Under such circumstances, the Fund may invest up to 100% of its assets in these investments and may do so for extended periods of time. To the extent that the Fund invests in money market instruments or other investment companies, shareholders of the Fund would indirectly pay both the Fund's expenses and the expenses relating to those other investment companies with respect to the Fund's assets invested in such investment companies. When the Fund takes a temporary defensive position, the Fund may not be able to achieve its investment objective.

U.S. Government Securities Risk (Global Macro ETFs). 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 the securities 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.

Valuation Risk (Global Macro ETF only). This is the risk that the Fund has valued certain securities or positions at a higher price than the price at which they can be sold. This risk may be especially pronounced for investments, such as derivatives, that may be illiquid or may become illiquid.

Volatility Management Risk (Global Macro ETF only). The Fund's actual or realized volatility during certain periods or over time may materially exceed its intended volatility profile for various reasons, including changes in market levels of volatility and because the Fund's portfolio may include instruments that are inherently volatile. This would increase the risk of investing in the Fund. Additionally, maintenance of any volatility level will not ensure that the Fund will deliver competitive returns. Efforts to manage the Fund's volatility could limit the Fund's gains in rising markets and may expose the Fund to costs to which it would otherwise not have been exposed.

Disclosure of Portfolio Holdings. The Fund's portfolio holdings will be disclosed on the Fund's website (www.virtusetfs.com) daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day.

MANAGEMENT OF THE FUND

INVESTMENT ADVISER

Virtus Alternative Investment Advisers, LLC (“VAIA”) is the investment adviser to the Global Macro ETF and is located at One Financial Plaza, Hartford, CT 06103. VAIA, an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc., a publicly traded multi-manager asset management business, acts as the investment adviser to open- and closed-end funds totaling approximately \$1.8 billion in assets under management as of March 31, 2025.

Virtus Investment Advisers, LLC (formerly known as Virtus Investment Advisers, Inc.) (“VIA”), located at One Financial Plaza, Hartford, Connecticut 06103, serves as the investment adviser to the International Bond ETF. VIA, an indirect, wholly owned subsidiary of Virtus Investment Partners, Inc., a publicly traded multi-manager asset management business, acts as the investment adviser for over 60 mutual funds. VIA has acted as an investment adviser for over 80 years. As of March 31, 2025, VIA had approximately \$51.5 billion in assets under management.

Each of VAIA and VIA is responsible for the oversight and management of all service providers to the Trust. VAIA has engaged AlphaSimplex and VIA has engaged Stone Harbor to manage the respective Fund’s investments in accordance with the stated investment objective and policies of the Fund, subject to the oversight and supervision of VAIA or VIA, as the case may be, and the Board, and will oversee AlphaSimplex or Stone Harbor, as the case may be, compliance with the terms and conditions of the SEC rule on which each Fund relies to operate as an ETF, as well as the Trust’s related policies and procedures. Each of VAIA and VIA also assists with: (a) non-advisory operations of the respective Fund, (b) the preparation and submission of reports to existing shareholders, (c) the periodic updating of the respective Fund’s prospectus and statement of additional information, (d) the preparation of reports to be filed with the SEC and other regulatory authorities, and (e) maintaining certain of the respective Fund’s records.

Adviser Compensation. VAIA receives a monthly advisory fee from the Global Macro ETF at the annual rate of 0.80% of the Fund’s average daily net assets and VIA receives a monthly advisory fee from the International Bond ETF at the annual rate of 0.45% of the Fund’s average daily net assets. The advisory fee for each Fund is structured as a “unified fee.” Accordingly, in consideration of the fees paid with respect to a Fund, VAIA and VIA each has agreed to pay all of the ordinary operating expenses of the respective Fund, except for the following expenses, each of which is paid by the respective Fund: the advisory fee; payments under any 12b-1 plan; taxes and other governmental fees; brokerage fees, commissions and other transaction expenses; interest and other costs of borrowing; litigation or arbitration expenses; acquired fund fees and expenses; and extraordinary or other non-routine expenses of the respective Fund.

INVESTMENT SUB-ADVISER

The Global Macro ETF’s sub-adviser is AlphaSimplex Group, LLC (“AlphaSimplex”), an affiliate of VAIA. AlphaSimplex is located at 200 State Street, Boston, Massachusetts 02109. AlphaSimplex provides quantitative advisory and subadvisory services to investment companies and to institutional clients. AlphaSimplex was founded in 1999. As of March 31, 2025, AlphaSimplex managed approximately \$5.6 billion.

The International Bond ETF’s sub-adviser is Virtus Fixed Income Advisers, LLC (“VFIA”), an affiliate of VIA. VFIA is located at One Financial Plaza, Hartford, CT 06103. VFIA operates through its Stone Harbor division in sub-advising the Fund. As of March 31, 2025, VFIA had approximately \$33.7 billion in aggregate assets under management. As of March 31, 2025, the Stone Harbor division of VFIA had approximately \$5.6 billion in assets under management.

AlphaSimplex and VFIA has served as the respective Fund’s sub-adviser since the commencement of the Fund’s operations pursuant to a sub-advisory agreement with the VAIA or VIA, as the case may be, and the Trust, on behalf of the respective Fund, as approved by the Board. AlphaSimplex and Stone Harbor makes day-to-day investment decisions for the respective Fund and selects broker-dealers for executing portfolio transactions, subject to its best execution obligations and the Trust’s and the respective sub-adviser’s brokerage policies. VAIA or VIA, as the case may be, however, will continue to have overall responsibility for the management and investment of the assets and responsibility for all advisory services furnished by each sub-adviser, and will supervise each sub-adviser’s in the performance of its duties for the respective Fund pursuant to written policies and procedures designed to prevent violations of applicable laws and regulations, Board procedures, and the provisions of the respective Fund’s prospectus and SAI, as supplemented from time to time.

Sub-Adviser Compensation. For services provided to the each Fund, VAIA or VIA, as the case may be, will pay to the Sub-Adviser a fee, payable monthly in arrears, equal to 50% of the net advisory fee payable by the respective Fund to VAIA or VIA, as the case may be, for such month. For this purpose, the “net advisory fee” means the advisory fee paid by a Fund to VAIA or VIA, as the case may be, for investment advisory services under the Adviser’s investment advisory agreement with the Fund, after deducting the payment of all of the ordinary operating expenses of the Fund under VAIA’s or VIA’s, as the case may be, unified fee arrangement. In the event that VAIA or VIA, as the case may be, waives all or a portion of its fee pursuant to an applicable waiver agreement, then the respective Sub-Adviser will waive its fee in the same proportion as VAIA or VIA, as the case may be.

Disclosure Regarding Advisory Agreement Approval. A discussion regarding the basis for the Board’s most recent approval of the investment advisory agreement and investment sub-advisory agreement for each Fund will be available in the Fund’s reports filed on Form N-CSR for its initial fiscal period. You may obtain a copy of the Fund’s annual and semi-annual reports, without charge, upon request to the Fund.

REGULATION UNDER THE COMMODITY EXCHANGE ACT (*Global Macro ETF only*)

The Adviser intends to register as a commodity pool operator (“CPO”) under the Commodity Exchange Act and the rules of the CFTC and is subject to CFTC regulation with respect to the Fund and its Subsidiary. The CFTC has adopted rules regarding the disclosure, reporting and recordkeeping requirements that apply with respect to the Fund as a result of the Adviser’s registration as a CPO. Generally, these rules allow for substituted compliance with CFTC disclosure and shareholder reporting requirements, based on the Adviser’s compliance with comparable SEC requirements. This means that for most of the CFTC’s disclosure and shareholder reporting requirements applicable to the Adviser as the Fund’s CPO, the Adviser’s compliance with SEC disclosure and shareholder reporting requirements will be deemed to fulfill the Adviser’s CFTC compliance obligations. However, as a result of CFTC regulation with respect to the Fund, the Fund may incur additional compliance and other expenses. The Adviser intends to rely on an exemption from regulation as a commodity trading advisor (“CTA”) available for a CTA that also serves as a fund’s CPO with respect to the Fund and its Subsidiary. AlphaSimplex is registered as a CTA.

MANAGER OF MANAGERS STRUCTURE

The SEC has granted exemptive relief that permits VAIA or VIA, as the case may be, subject to certain conditions, to enter into new sub-advisory agreements with affiliated or unaffiliated sub-advisers on behalf of each Fund without shareholder approval. The exemptive relief also permits material amendments to existing sub-advisory agreements with affiliated or unaffiliated sub-advisers without shareholder approval. Under this structure, VAIA or VIA, as the case may be, has ultimate responsibility, subject to oversight by the Board, to oversee such sub-advisers and recommend to the Board their hiring, termination, and replacement. The structure does not permit investment advisory fees paid by a Fund to be increased without shareholder approval, or change VAIA’s or VIA’s, as the case may be, obligations under the investment advisory agreement, including the Adviser’s responsibility to monitor and oversee sub-advisory services furnished to the Fund.

PORTFOLIO MANAGERS

Global Macro ETF

The following employees of AlphaSimplex Group, LLC are the Global Macro ETF’s portfolio managers, each of whom is jointly and primarily responsible for the day-to-day management of the Fund’s portfolio and has served in such positions since the inception of the Fund’s operations.

- Alexander D. Healy, Ph.D., Portfolio Manager

Dr. Healy joined AlphaSimplex in 2007 and currently serves as Chief Investment Officer. Dr. Healy has served as co-portfolio manager of the Fund since its inception in 2025. Dr. Healy received an A.B. in Mathematics and Computer Science in 2002 and a Ph.D. in Theoretical Computer Science in 2007, both from Harvard University.

- Kathryn M. Kaminski, Ph.D., CAIA, Portfolio Manager

Dr. Kaminski joined AlphaSimplex in 2018 and currently serves as Chief Research Strategist. Dr. Kaminski has served as co-portfolio manager of the Fund since its inception in 2025. Prior to joining AlphaSimplex, Dr. Kaminski was a visiting scientist at the Massachusetts Institute of Technology (“MIT”) Laboratory for Financial Engineering. Prior to this, she held portfolio management positions as a director, investment strategies at Campbell and Company and as a senior investment analyst at RPM, a CTA fund of funds. Dr. Kaminski earned a B.S. in Electrical Engineering and a Ph.D. in Operations Research from MIT.

- Tansu Demirbilek, Portfolio Manager

Mr. Demirbilek joined AlphaSimplex in 2025 and currently services as Senior Research Scientist. Mr. Demirbilek has served as co-portfolio manager of the Fund since its inception in 2025. Prior to joining AlphaSimplex, he was a systematic portfolio manager at Brevan Howard, focusing on systematic global macro. He also served as managing director of research and head of systematic macro team at Campbell and Company. Mr. Demirbilek earned a B.Sc. in Electrical Engineering from Orta Doğu Teknik Üniversitesi (Middle East Technical University) and a M.Sc. in Electrical Engineering from Ohio State University. He also earned a M.B.A. from Babson College and a Masters in Finance in Quantitative Finance from the London Business School.

International Bond ETF

The following employees of VFIA are the International Bond ETF’s portfolio managers, each of whom is jointly and primarily responsible for the day-to-day management of the Fund’s portfolio and has served in such positions since the inception of the Fund’s operations.

- Stuart Sclater-Booth, Portfolio Manager

Mr. Sclater-Booth is Deputy Chief Investment Officer of Stone Harbor Investment Partners, a division of VFIA. Mr. Sclater-Booth began managing portfolios at Stone Harbor in 2014. Prior to joining Stone Harbor, he served as Managing Director/Head of Emerging Markets Desk Strategy at Goldman Sachs. Previously, he served as Executive Director/Global Head of EM Macro Strategy at JP Morgan Chase Securities.

- James E. Craige, CFA, Portfolio Manager

Mr. Craige is Chief Investment Officer of Stone Harbor Investment Partners, a division of VFIA. Mr. Craige began managing portfolios at Stone Harbor in 2006. Prior to Stone Harbor, Mr. Craige was a Managing Director and Senior Portfolio Manager for emerging markets debt portfolios at Salomon Brothers Asset Management Inc., which he joined in 1992.

- Simon Lau, CFA, Portfolio Manager

Mr. Lau joined Stone Harbor Investment Partners in 2014 and is now a portfolio manager within VFIA. Prior to Stone Harbor, Mr. Lau served as a Vice President of LDI and Synthetics AUM at Financial Management. He began his career in the investment industry in 2006.

- David Scott, Portfolio Manager

Mr. Scott joined Stone Harbor Investment Partners in 2006 and is now a portfolio manager within VFIA. Prior to April 2006, he was Managing Director and Head of Traditional Investment Group responsible for the global bond portfolios at Salomon Brothers Asset Management Limited, which he joined in 1994.

Additional Information. Additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of Shares of the Fund is available in the Fund's SAI.

BOARD OF TRUSTEES

Each Fund is a non-diversified series of the Trust, which is an open-end management investment company organized as a Delaware statutory trust on July 14, 2015. The Board supervises the operations of the Trust and the Fund according to applicable state and federal law, and is responsible for the overall management of the Fund's business affairs.

OPERATIONAL ADMINISTRATOR

Virtus ETF Solutions LLC (the "**Administrator**"), located at 1301 Avenue of the Americas, 14th Floor, New York, New York 10019, serves as each Fund's operational administrator. The Administrator supervises the overall administration of the Trust and each Fund including, among other responsibilities, the coordination and day-to-day oversight of the Fund's operations, the service providers' communications with the Fund and each other, and assistance with Trust, Board and contractual matters related to the Fund and other series of the Trust. The Administrator also provides persons satisfactory to the Board to serve as officers of the Trust.

ACCOUNTING SERVICES ADMINISTRATOR, CUSTODIAN AND TRANSFER AGENT

The Bank of New York Mellon ("**BNY Mellon**"), located at 240 Greenwich Street, New York, New York 10286, directly and through its subsidiary companies, provides necessary administrative, accounting, tax and financial reporting for the maintenance and operations of the Trust as each Fund's accounting services administrator. BNY Mellon also serves as the custodian for the Fund's assets, and serves as transfer agent and dividend paying agent for the Fund.

DISTRIBUTOR

VP Distributors, LLC (the "**Distributor**"), located at One Financial Plaza, Hartford, CT 06103, serves as the distributor of Creation Units for each Fund on an agency basis. The Distributor does not maintain a secondary market in Shares.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP, located at Two Commerce Square, Suite 1800, 2001 Market Street, Philadelphia, PA 19103, serves as the independent registered public accounting firm for the Trust and each Fund.

LEGAL COUNSEL

Stradley Ronon Stevens & Young, LLP, located at 2005 Market Street, Suite 2600, Philadelphia, PA 19103, serves as counsel to the Trust and the Independent Trustees.

EXPENSES OF THE FUNDS

Each Fund pays all expenses not assumed by the Adviser. General Trust expenses that are allocated among and charged to the assets of a Fund and other series of the Trust are done so on a basis that the Board deems fair and equitable, which may be on a basis of relative net assets of the Fund and other series of the Trust or the nature of the services performed and relative applicability to the Fund and other series of the Trust.

INVESTING IN THE FUND

DISTRIBUTION AND SERVICE PLAN

The Board has adopted on behalf of the Fund a Distribution and Service Plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 (“1940 Act”). In accordance with its Rule 12b-1 plan, each Fund is authorized to pay an amount up to 0.25% of its average daily net assets each year to finance activities primarily intended to result in the sale of Creation Units of the Fund or the provision of investor services. No Rule 12b-1 fees are currently paid by the Fund, and there are no current plans to impose these fees. However, in the event Rule 12b-1 fees are charged in the future, they will be paid out of the Fund’s assets, and over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

The Adviser, the Sub-Advisers and their affiliates may, out of their own resources, pay amounts to third parties for distribution or marketing services on behalf of a Fund. The making of these payments could create a conflict of interest for a financial intermediary receiving such payments.

DETERMINATION OF NET ASSET VALUE

The NAV of the Shares for each Fund is equal to the Fund’s total assets minus the Fund’s total liabilities divided by the total number of Shares outstanding. Interest and investment income on the Trust’s assets accrue daily and are included in a Fund’s total assets. Expenses and fees (including investment advisory, management, administration and distribution fees, if any) accrue daily and are included in each Fund’s total liabilities. The NAV that is published is rounded to the nearest cent; however, for purposes of determining the price of Creation Units, the NAV is calculated to five decimal places.

The pricing and valuation of portfolio securities is determined in good faith in accordance with procedures approved by, and under the direction of, the Board. In determining the value of a Fund’s assets, portfolio securities are generally valued at market using quotations from the primary market in which they are traded. Debt securities (other than short-term investments) are valued on the basis of broker quotes or valuations provided by a pricing service, which in determining value utilizes information regarding recent sales, market transactions in comparable securities, quotations from dealers, and various relationships between securities. Short-term investments having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value. Other assets, such as accrued interest, accrued dividends and cash are also included in determining the NAV. The Fund normally uses third party pricing services to obtain market quotations.

The Board has designated each Adviser to serve as its valuation designee, pursuant to Rule 2a-5 under the 1940 Act, to perform the fair value determinations relating to any or all Fund investments. Accordingly, securities and assets for which market quotations are not readily available or which cannot be accurately valued using a Fund’s normal pricing procedures are valued by a Adviser at fair value as determined in good faith under policies approved by the Board. Fair value pricing may be used, for example, in situations where (i) portfolio securities, such as securities with small capitalizations, are so thinly traded that there have been no transactions for that security over an extended period of time; (ii) an event occurs after the close of the exchange on which a portfolio security is principally traded that is likely to change the value of the portfolio security prior to a Fund’s NAV calculation; (iii) the exchange on which the portfolio security is principally traded closes early; or (iv) trading of the particular portfolio security is halted during the day and does not resume prior to a Fund’s NAV calculation. Pursuant to policies adopted by the Board, each Adviser consults with BNY Mellon and the Sub-Adviser on a regular basis regarding the need for fair value pricing. Fair value pricing is intended to result in a calculation of a Fund’s NAV that fairly reflects portfolio security values as of the time of pricing. A portfolio security’s “fair value” price may differ from the price next available for that portfolio security using a Fund’s normal pricing procedures, and the fair value price may differ substantially from the price at which the security may ultimately be traded or sold. If the fair value price differs from the price that would have been determined using a Fund’s normal pricing procedures, you may receive more or less proceeds or Shares from redemptions or purchases of Shares, respectively, than you would have otherwise received if the portfolio security were priced using a Fund’s normal pricing procedures, which could result in the market prices for Shares deviating from NAV. The performance of a Fund may also be affected if a portfolio security’s fair value price were to differ from the security’s price using the Fund’s normal pricing procedures. The Board oversees each Adviser in its role as valuation designee in accordance with the requirements of Rule 2a-5 under the 1940 Act.

Foreign securities not denominated in U.S. dollars are translated from the local currency into U.S. dollars using currency exchange rates supplied by a quotation service. If securities in which a Fund invests are listed primarily on foreign exchanges that trade on weekends or other days when the Fund does not price its Shares, the NAV of the Shares may change on days when you will not be able to purchase or redeem Shares. Foreign currencies, securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the exchange rates generally determined as of 4:00 p.m. Eastern time.

To the extent the assets of a Fund are invested in other open-end investment companies that are registered under the 1940 Act, the Fund's NAV is calculated based upon the NAVs reported by such registered open-end investment companies, and the prospectuses for these companies explain the circumstances under which they will use fair value pricing and the effects of using fair value pricing. With respect to securities that are primarily listed on foreign exchanges, the value of a Fund's portfolio securities may change on days when you will not be able to purchase or sell your Shares.

The NAV is determined as of the close of regular trading on the Exchange, normally 4:00 p.m. Eastern time, on each day that the Exchange is open for business. Currently, the Exchange is closed on weekends and in recognition of the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

PREMIUM/DISCOUNT INFORMATION

Information regarding the extent and frequency with which market prices of Shares have tracked the Fund's NAV for the most recently completed calendar year and the most recently completed calendar quarters since that year will be available without charge on a Fund's website.

FREQUENT TRADING

Unlike traditional mutual funds, Shares can only be purchased and redeemed directly from the Fund in Creation Units by Authorized Participants, and the vast majority of trading in the Shares occurs on the secondary market. Because secondary market trades do not involve a Fund directly, those trades are unlikely to cause many of the harmful effects of frequent purchases and redemptions of Shares, including dilution, disruption of portfolio management, increases in the Fund's trading costs and the realization of capital gains. In addition, direct trading on a short-term basis by Authorized Participants is critical to ensuring that the Shares trade at or close to NAV. Each Fund also imposes transaction fees on purchases and redemptions of Creation Units by Authorized Participants, which are designed to offset the Fund's transaction costs associated with issuing and redeeming Creation Units. Given this structure, the Board determined that it is not necessary to adopt policies and procedures with respect to frequent purchases and redemptions of Shares by Fund shareholders. Each Fund reserves the right to reject any purchase order at any time and reserves the right to impose restrictions on disruptive or excessive trading in Creation Units. Each Fund also reserves the right to reject any redemption order in accordance with applicable law.

The Board has instructed the officers of the Trust to review reports of purchases and redemptions of Creation Units on a regular basis to determine if there is any unusual trading in the Shares. The officers of the Trust will report to the Board any such unusual trading in Creation Units that is disruptive to a Fund. In such event, the Board may reconsider its decision not to adopt market timing policies and procedures.

DISTRIBUTIONS

Each Fund intends to qualify each year as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). As a regulated investment company, a Fund generally pays no federal income tax on the income and gains it distributes to shareholders. Each Fund expects to distribute substantially all of its net investment income and its net realized capital gains, if any, at least annually. Each Fund may distribute such income dividends and capital gains more frequently, if necessary, in order to reduce or eliminate federal excise or income taxes on the Fund. The amount of any distribution will vary, and there is no guarantee a Fund will pay either an income dividend or a capital gains distribution. Distributions may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available.

Each year, you will receive an annual statement (Form 1099) of your account activity to assist you in completing your federal, state and local tax returns. Distributions declared in October, November, or December to shareholders of record in such month, but paid in January, are taxable as if they were paid in December. Each Fund makes every effort to search for reclassified income to reduce the number of corrected forms mailed to you. However, when necessary, you will receive a corrected Form 1099 to reflect reclassified information.

At the time you purchase your Shares, the price of Shares may reflect undistributed income, undistributed capital gains, or net unrealized appreciation in value of portfolio securities held by a Fund. For taxable investors, a subsequent distribution to you of such amounts, although constituting a return of your investment, would be taxable. Buying Shares in a Fund just before it declares an income dividend or capital gains distribution is sometimes known as “buying a dividend.”

FEDERAL INCOME TAXES

FUND DISTRIBUTIONS

Each Fund expects, based on its investment objective and strategies, that its distributions, if any, will be taxable as ordinary income, capital gains, or some combination of both. This is true whether you reinvest your distributions in additional Shares or receive them in cash. For federal income tax purposes, Fund distributions of short-term capital gains are taxable to you as ordinary income. Fund distributions of long-term capital gains are taxable to you as long-term capital gains no matter how long you have owned your Shares. Because the income of each Fund is primarily derived from investments earning interest rather than dividend income, generally none or only a small portion of the income dividends reported by the Fund is anticipated to be qualified dividend income eligible for taxation by individual shareholders at long-term capital gain rates, provided certain holding period requirements are met.

SALE OF FUND SHARES

A sale of Shares is a taxable event and, accordingly, a capital gain or loss may be recognized. Currently, any capital gain or loss realized upon a sale of Shares generally is treated as long-term capital gain or loss if the Shares have been held for more than one year and as short-term capital gain or loss if the Shares have been held for one year or less. The ability to deduct capital losses may be limited.

TAX TREATMENT OF FUND SHAREHOLDERS

An additional 3.8% Medicare tax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a Fund and net gains from taxable dispositions of Shares) of U.S. individuals, estates and trusts to the extent that such person’s “modified adjusted gross income” (in the case of an individual) or “adjusted gross income” (in the case of an estate or trust) exceeds a threshold amount. This Medicare tax, if applicable, is reported by you on, and paid with, your federal income tax return.

Fund distributions and gains from the sale of your Shares generally are subject to state and local taxes.

Non-U.S. investors may be subject to U.S. withholding tax at a 30% or lower treaty rate and U.S. estate tax and are subject to special U.S. tax certification requirements to avoid backup withholding and claim any treaty benefits. Exemptions from U.S. withholding tax are provided for certain capital gain dividends paid by a Fund from net long-term capital gains, interest-related dividends and short-term capital gain dividends, if such amounts are reported by the Fund. However, notwithstanding such exemptions from U.S. withholding at the source, any such dividends and distributions of income and capital gains will be subject to backup withholding at a rate of 24% if you fail to properly certify that you are not a U.S. person.

Under the Foreign Account Tax Compliance Act (“FATCA”), a 30% withholding tax is imposed on income dividends paid by a Fund to certain foreign entities, referred to as foreign financial institutions or nonfinancial foreign entities, that fail to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. After December 31, 2018, FATCA withholding also would have applied to certain capital gain distributions, return of capital distributions and the proceeds arising from the sale of Shares; however, based on proposed regulations issued by the Internal Revenue Service (“IRS”), which can be relied upon currently, such withholding is no longer required unless final regulations provide otherwise (which is not expected). Information about a shareholder in a Fund may be disclosed to the IRS, non-U.S. taxing authorities or other parties as necessary to comply with FATCA. Withholding also may be required if a foreign entity that is a shareholder of the Fund fails to provide the appropriate certifications or other documentation concerning its status under FATCA.

WITHHOLDING

By law, if you do not provide your proper taxpayer identification number and certain required certifications, you may be subject to backup withholding on any distributions of income, capital gains or proceeds from the sale of your Shares. Withholding is also imposed if the IRS requires it. When withholding is required, the amount will be 24% of any distributions or proceeds paid.

CREATION UNITS

Because Creation Units are issued and redeemed by the Global Macro ETF solely for cash, an Authorized Participant generally will recognize neither gain nor loss on the issuance of Creation Units, but may recognize gain or loss on the redemption of Creation Units equal to the difference between the Authorized Participant's basis in the Creation Units and the cash received by the Authorized Participant as part of the redemption. The IRS, however, may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the rules governing "wash sales," or on the basis that there has been no significant change in economic position. Persons exchanging securities should consult their own tax advisor with respect to whether the wash sale rules apply and when a loss might be deductible.

Under current federal tax laws, any capital gain or loss realized upon redemption of Creation Units is generally treated as long-term capital gain or loss if the Shares have been held for more than one year and as a short-term capital gain or loss if the Shares have been held for one year or less, assuming such Creation Units are held as a capital asset.

Because the Global Macro ETF currently expects to generally redeem Creation Units in cash, it may recognize more capital gains than it would have if it redeemed Creation Units in-kind.

This discussion of "Federal Income Taxes" is not intended or written to be used as tax advice. Because everyone's tax situation is unique, you should consult your tax professional about federal, state, local or foreign tax consequences before making an investment in a Fund. For additional information, see the "Taxation" section of the Statement of Additional Information.

FUND WEBSITE AND DISCLOSURE OF PORTFOLIO HOLDINGS

The Trust maintains a website for the Fund at www.virtusetfs.com. The website for the Funds contain the following information, on a per-Share basis, for the Funds: (i) the prior Business Day's NAV and market price; (ii) the 30-day median bid-ask spread; (iii) the reported midpoint of the bid-ask spread at the time of NAV calculation (the "Bid-Ask Price"); (iv) a calculation of the premium or discount of the Bid-Ask Price against such NAV; and (v) data in chart format displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters (or for the life of the Fund if, shorter). In addition, on each Business Day, before the commencement of trading in Shares on the Exchange, the Trust discloses on the Fund's website the identities and quantities of the portfolio securities and other assets held by the Fund that will form the basis for the calculation of NAV at the end of the Business Day.

A description of the Trust's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the SAI.

OTHER INFORMATION

Each Fund is not sponsored, endorsed, sold or promoted by the Exchange. The Exchange makes no representation or warranty, express or implied, to the owners of Shares or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the Fund to achieve its objective. The Exchange has no obligation or liability in connection with the administration, marketing or trading of the Fund.

For purposes of the 1940 Act, each Fund is a registered investment company, and the acquisition of Shares by other registered investment companies and companies relying on exemption from registration as investment companies under Section 3(c)(1) or 3(c)(7) of the 1940 Act is subject to the restrictions of Section 12(d)(1) of the 1940 Act, except as permitted by SEC rule or an exemptive order that permits registered investment companies to invest in the Fund beyond those limitations.

FINANCIAL HIGHLIGHTS

Each Fund is newly organized and therefore has not yet had any operations prior to the date of this Prospectus.

ADDITIONAL INFORMATION

If you would like more information about the Trust, the Funds or the Shares, the following documents are available free upon request:

Annual and Semi-Annual Reports; Form N-CSR Filed with the SEC

Additional information about each Fund's investments will be available in the Fund's annual and semi-annual reports and in Form N-CSR filed with the SEC. Once available, you will find in the Funds' annual report a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during the prior fiscal year. In Form N-CSR, you will find the Fund's annual and semi-annual financial statements.

Statement of Additional Information

Additional information about each Fund and its policies is also available in the Fund's [SAI](#). The SAI is incorporated by reference into this Prospectus (and is legally considered part of this Prospectus).

To receive a free copy of the Fund's SAI, annual and semi-annual reports, financial statements or other information about the Fund, or to make inquiries about the Fund, please call the Fund toll-free at (888) 383-0553. You can also access and download the SAI and the most recent annual and semi-annual reports and financial statements without charge at the Fund's website at www.virtusetfs.com or by written request to the Fund at the address below.

To obtain other information and for shareholder inquiries:

By telephone: (888) 383-0553

By mail: Virtus ETF Trust II
1301 Avenue of the Americas, 14th Floor
New York, NY 10019

On the Internet: SEC Edgar database: <http://www.sec.gov>; or
www.virtusetfs.com

Only one copy of a Prospectus or an annual or semi-annual report will be sent to each household address. This process, known as "householding", is used for most required shareholder mailings. (It does not apply to confirmations of transactions and account statements, however.) You may, of course, request an additional copy of a Prospectus or an annual or semi-annual report at any time by calling or writing the Funds. You may also request that householding be eliminated from all your required mailings.

Reports and other information about the Funds are available on the EDGAR Database on the SEC's Internet site at <http://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

No person is authorized to give any information or to make any representations about the Fund or its Shares not contained in this Prospectus, and you should not rely on any other information. Read and keep this Prospectus for future reference.

Dealers effecting transactions in the Shares, whether or not participating in this distribution, may be generally required to deliver a Prospectus. This is in addition to any obligation dealers have to deliver a Prospectus when acting as underwriters.

Virtus ETF Trust II: Investment Company Act file number 811-23078