

## INVESTMENT OPPORTUNITY

The Fund, which normally invests at least 80% of its managed assets in a diversified portfolio of convertible securities and income-producing debt instruments, employs a multi-asset strategy that seeks to generate high current income by dynamically allocating assets to the following three segments of a company's capital structure:

- Convertible securities, which offer current income, downside protection, and potential capital appreciation.
- High yield securities, which offer high income potential and have a potentially favorable risk/reward profile, relative to other fixed income asset classes.
- Senior secured loans, which offer a diversified return due to their unique floating-rate feature, seniority in the capital structure, and historically low correlation to core fixed income.

Interest rate risk management—the Fund's underlying asset classes have historically performed well in past rising rate environments and have exhibited low historical correlation to core fixed income.

The Fund's investment objectives are to provide a high level of income and to return at least \$9.835 per common share (the original net asset value per common share of beneficial interest before deducting offering costs of \$0.02 per share) to holders of common shares on or about September 2, 2024.

The Fund has a limited term and will terminate on or around September 1, 2024, absent approval by the Fund's Board of Trustees to extend the term by up to six months.

## AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/31/2023

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	2.43	8.37	8.37	2.53	7.06	n/a	5.46
Market Price	0.90	7.47	7.47	3.01	9.05	n/a	4.60

**Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit [virtus.com](http://virtus.com) for performance data current to the most recent month end.**

The fund class gross expense ratio is 3.67%. The net expense ratio is 3.57%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

Excluding interest expense on borrowings the net expense ratio would have been 1.25%. The Adviser has contractually agreed to limit the Fund's annual operating expenses (subject to exclusions such as investment advisory fees and expenses relating to financial leverage) to not exceed, on an annualized basis, 0.19%. For more details, see the most recent shareholder report.

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Average annual total return is the annual compound return for the indicated period. It reflects the change in share price and the reinvestment of all dividends and capital gains. Returns for periods of one year or less are cumulative returns.

## ANNUAL PERFORMANCE (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NAV	8.37	-3.27	2.82	12.11	16.40	-1.44	n/a	n/a	n/a	n/a
Market Price	7.47	-6.03	8.23	10.00	28.25	-6.84	n/a	n/a	n/a	n/a

NYSE Ticker	CBH
Inception Date	6/29/2017
Number of Investments	82
Market Price (\$)	8.72
Net Asset Value (\$)	9.18
Discount to NAV (%)	-5.01
Shares Outstanding (m)	18.26
Average Daily Volume	40,068
Total Net Assets (\$m)	167.69
Preferred Assets (\$m)	0.00
Borrowed Debt (\$m)	49.70
Total Managed Assets (\$m)	217.39
Distribution Frequency	Monthly
Investment Adviser	Virtus Investment Advisers, Inc.
Investment Subadviser	Voya Investment Management

52-Week Ranges	High	Low
NAV (\$)	9.36	8.98
Market Price (\$)	9.15	8.42

## FUND MANAGEMENT



INVESTMENT MANAGEMENT

Voya Investment Management (Voya IM) strives to help investors push what's possible. As the asset management business of Voya Financial (NYSE: VOYA), Voya IM seeks to understand and anticipate client needs, delivering differentiated solutions across public and private fixed income, equity, and multi-asset platforms, including private markets and alternatives.

## INVESTMENT PROFESSIONALS

**Justin M. Kass, CFA**

Industry start date: 1998

Start date Fund Portfolio Manager: 2017

**David J. Oberto**

Industry start date: 2003

Start date Fund Portfolio Manager: 2017

**William (Brit) L. Stickney**

Industry start date: 1989

Start date Fund Portfolio Manager: 2017

**Ethan Turner, CFA**

Industry start date: 1989

Start date Fund Portfolio Manager: 2023

PORTFOLIO BREAKDOWN	% Fund
Convertible Securities	35.22
High Yield Bonds	32.90
Senior Secured Loans	25.58
Cash and Equivalents	5.52
Other	0.76

RATINGS DISTRIBUTION	% Fixed Income
BBB	16.41
BB	30.46
B	11.58
CCC and Below	3.80
Not Rated	37.75

TOP TEN HOLDINGS	% Fund
NIO Inc	6.96
Block, Inc. 0.125% 01-mar-2025	5.83
Wayfair Inc. 1.125% 01-nov-2024	5.19
I3 Verticals Llc 1.0% 15-feb-2025	4.98
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp, 5.5000% 03/01/2025	4.89
Navient Corp, 5.8750% 10/25/2024	4.77
International Game Technology PLC, 6.5000% 02/15/2025	4.72
NCL Corp Ltd, 3.6250% 12/15/2024	4.63
Alteryx, Inc. 0.5% 01-aug-2024	4.05
Live Nation Entertainment Inc, 4.8750% 11/01/2024	3.84

SECTOR ALLOCATIONS	% Invested Assets
Consumer Discretionary	29.65
Financials	19.07
Information Technology	17.61
Industrials	11.05
Communication Services	7.87
Health Care	6.58
Materials	5.17
Energy	1.84
Real Estate	0.72
Consumer Staples	0.44

DISTRIBUTION HISTORY	
Ex-Date	Distributions
12/8/2023	\$0.0460
11/10/2023	\$0.0460
10/11/2023	\$0.0460
9/8/2023	\$0.0460
8/10/2023	\$0.0460
7/12/2023	\$0.0460

Holdings and sector weightings are subject to change.

FIXED INCOME CHARACTERISTICS	Fund
Weighted Average Maturity	1.91
Weighted Average Current Yield	4.45

## FOR MORE INFORMATION

Contact your financial representative for more information, or call Virtus Closed-End Funds for service at 1-866-270-7788. Information on the Fund is available at [www.virtus.com](http://www.virtus.com).

## IMPORTANT RISK CONSIDERATIONS

**Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities. **Leverage:** When the Fund leverages its portfolio, the Fund may be less liquid and/or may liquidate positions at an unfavorable time, and the value of the Fund's shares will be more volatile and sensitive to market movements. **Lower-rated securities:** Investments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. **Credit & Interest:** Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **Bank Loans:** Bank loans 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. Bank 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. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended. **Closed-End Funds:** Closed-end funds may trade at a discount or premium from their net asset values, which may affect whether an investor will realize gains or losses. They may also employ leverage, which may increase volatility. **No Guarantee:** There is no guarantee that the portfolio will meet its objective.

## GLOSSARY

**Weighted Average Maturity:** The length of time until the average security in a fund will mature, be redeemed by its issuer, or paid down over time, which is the case with most securitized assets. **Weighted Average Current Yield:** The current yield on a bond portfolio divided by the number of bonds contained in it, weighted for the size of each bond so that the yield of large holdings does not drown out the calculation of yields on small holdings.

## NET ASSET VALUE VS. MARKET PRICE

Net Asset Value (NAV) represents the total value of all assets held by the Fund (minus its total liabilities), divided by the total number of common shares outstanding. The net asset value returns reflect the performance of the manager. Market Price is the price at which investors may purchase or sell shares of the Fund. Market Price is determined in the open market by buyers and sellers, based on supply and demand. The Fund's Market Price fluctuates throughout the day and may differ from its underlying NAV. Shares of the Fund may trade at a premium (higher than) or a discount (lower than) to NAV. This characteristic is a risk separate and distinct from the risk that the Fund's net asset value could decline. The Fund has no control over the market price. The difference between the market price and the NAV (Premium/Discount) is expressed as a percentage of NAV.

## RATINGS DISTRIBUTION METHODOLOGY

Credit ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of the issuers of the underlying securities and not to the Fund or its shares. Ratings are measured using a scale that ranges from AAA (highest) to NR (not rated). Not rated securities do not necessarily indicate low quality. The security's credit rating does not eliminate risk and credit ratings are subject to change. Credit Quality reflects the higher of the ratings of Standard & Poor's Corporation and Moody's Investors Service, Inc. Only one rating will be utilized if only one is available. Ratings are then adjusted to the Standard & Poor's rating tiers shown.