

INVESTMENT OPPORTUNITY

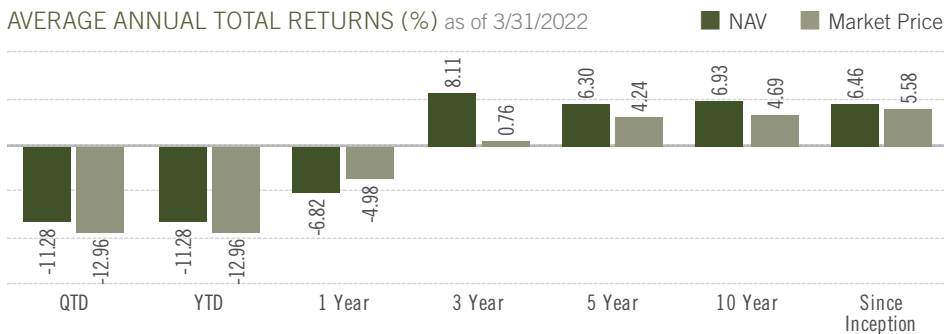
The Fund seeks total return through a combination of capital appreciation and high current income.

Invests in a diversified portfolio of domestic convertible securities and high yield bonds rated below investment grade.

Seeks to invest at least 50% of its portfolio in convertibles, but determines its allocation based on changes in equity prices, changes in interest rates, and other economic and market factors. For the convertible portion, Allianz Global Investors seeks to capture the upside potential of equities with potentially less volatility than a pure stock investment.

In searching for investment opportunities, the manager looks for issuers that will successfully adapt to change, exceed minimum credit statistics, and exhibit the most promising operating performance potential.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 3/31/2022



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 for performance data current to the most recent month end.

The fund class gross expense ratio is 1.55%. The net expense ratio is 1.40%, which reflects a contractual expense reimbursement in effect through 2/1/2023.

Excluding interest expense and auction agent fees and commissions, the net expense ratio would have been 1.35%.

Performance reflects the deduction of Fund operating expenses. Performance does not reflect the incurrence of brokerage expenses, which typically apply to exchange traded products. Total return net of brokerage expenses would be lower than the total returns on market value shown in the table.

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 (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NAV	6.32	20.21	23.76	-11.45	11.25	23.12	-16.39	1.32	24.33	22.88
Market Price	9.15	11.03	27.33	-18.05	21.85	28.60	-35.24	11.13	27.97	14.28

NYSE Ticker	NCZ
Inception Date	7/31/2003
Number of Investments	262
Market Price (\$)	4.33
Net Asset Value (\$)	4.77
Discount to NAV (%)	-9.22
Shares Outstanding (m)	76.12
Average Daily Volume	352,884
Total Net Assets (\$m)	362.99
Preferred Assets (\$m)	271.53
Borrowed Debt (\$m)	0.00
Total Managed Assets (\$m)	634.52
Distribution Frequency	Monthly
Investment Adviser	Virtus Investment Advisers, Inc.
Investment Subadviser	Allianz Global Investors U.S. LLC

52-Week Ranges

	High	Low
NAV (\$)	5.92	4.43
Market Price (\$)	5.49	4.00

FUND MANAGEMENT



At Allianz Global Investors, active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs.

Active is: Allianz Global Investors

INVESTMENT PROFESSIONALS

Justin M. Kass, CFA

Industry start date: 1998

Start date Fund Portfolio Manager: 2003

Michael E. Yee

Industry start date: 1994

Start date Fund Portfolio Manager: 2022

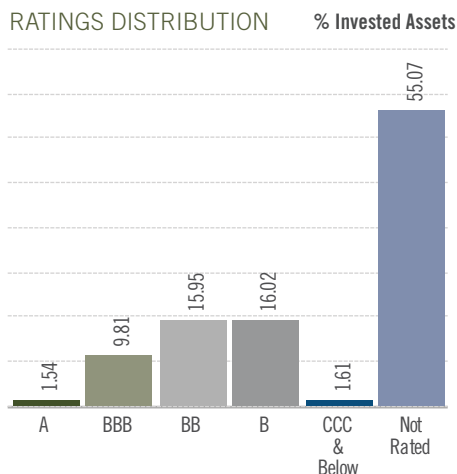
David J. Oberto

Industry start date: 2003

Start date Fund Portfolio Manager: 2022

PORTFOLIO BREAKDOWN	% Fund
Convertible Securities	63.95
High Yield Bonds	31.43
Cash and Equivalents	3.61
Other	1.01

SECTOR BREAKDOWN (GICS)	% Invested Assets
Information Technology	23.07
Consumer Discretionary	17.92
Communication Services	13.80
Health Care	12.91
Financials	8.85
Industrials	8.25
Energy	5.96
Consumer Staples	2.47
Materials	2.43
Utilities	2.39
Real Estate	1.95



DISTRIBUTION HISTORY	Distributions
3/10/2022	\$0.0375
2/10/2022	\$0.0375
1/12/2022	\$0.0375
12/10/2021	\$0.0375
11/10/2021	\$0.0375
10/8/2021	\$0.0375

TOP TEN HOLDINGS	% Fund
Wells Fargo & Company 7.5 % Non Cum Perp Conv Pfd Registered	4.69
Broadcom Inc 8.00 % Cum Conv Pfd Registered Shs 2019-30.09.22 Series A	3.76
Danaher Corporation Cum Conv Red Pfd Registered Shs Series A	3.67
Bank of America Corp 7.25 % Non Cum Perp Conv Pfd Registered Shs Series L	3.30
NextEra Energy Inc Corporate Units Cons of Debenture 01.09.25 + 1 PC 01.09.23	2.78
Expedia Group, Inc. 0.0% 15-feb-2026	1.96
Euronet Worldwide, Inc. 0.75% 15-mar-2049	1.96
Bill.com Holdings, Inc. 0.0% 01-apr-2027	1.94
Boston Scientific Corporation Cum Conv Pfd Registered Shs 2020-01.06.23 Series A	1.83
Avantor, Inc. Cum Conv Pfd Registered Shs Series A	1.82

Holdings and sector weightings are subject to change.

CHARACTERISTICS	% Fund
Effective Duration	4.60
Weighted Average Maturity	2.88

FOR MORE INFORMATION

Contact your financial representative for more information, or call Virtus Closed-End Funds for service at 1-800-254-5197. Information on the Fund is available at 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. **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. **Leverage:** When a portfolio is leveraged, the value of its securities may be more volatile and all other risks may be compounded. **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. **Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid. **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. Price changes may be short- or long-term. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio's manager(s) to invest the portfolio's 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.

GLOSSARY

Effective Duration: The change in the value of a fixed income security that will result from a 1% change in interest rates while taking into account the way changes in rates will affect the expected cash flows of any bond with an embedded option such as call or prepayment option. This measure assigns a probability to the exercise of a call option, where applicable, based on specified shifts in the yield curve. Duration is expressed as a number of years, and generally, the larger the duration, the greater the interest rate risk or reward for a portfolio's underlying bond prices. **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.

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.

