

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.

Under normal circumstances, the Fund will invest at least 80% of its total assets in a diversified portfolio of convertible securities and non-convertible income-producing securities and seeks to invest at least 50% of its total assets in convertible securities, but determines its allocation based on changes in equity prices, changes in interest rates, and other economic and market factors. For the convertible portion, Voya Investment Management 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 3/28/2024

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	0.35	0.35	9.16	-6.17	2.30	2.18	5.21
Market Price	3.43	3.43	12.58	-5.25	-1.75	-0.14	4.47

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](https://www.virtus.com) for performance data current to the most recent month end.

The fund class gross expense ratio is 2.87%. The net expense ratio is 2.74%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

Excluding interest expense on borrowings the net expense ratio would have been 1.33%. 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, 0.15%. For more details, see the most recent shareholder report.

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 (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
NAV	13.68	-31.05	6.32	20.21	23.76	-11.45	11.25	23.12	-16.39	1.32
Market Price	17.39	-35.83	9.15	11.03	27.33	-18.05	21.85	28.60	-35.24	11.13

NYSE Ticker	NCZ
Inception Date	7/31/2003
Number of Investments	217
Net Asset Value (\$)	3.36
Market Price (\$)	2.99
Discount to NAV (%)	-11.01
Shares Outstanding (m)	76.12
Average Daily Volume	505,456
Total Net Assets (\$m)	255.79
Preferred Assets (\$m)	131.00
Borrowed Debt (\$m)	25.00
Total Managed Assets (\$m)	411.79
Distribution Frequency	Monthly
Investment Adviser	Virtus Investment Advisers, Inc.
Investment Subadviser	Voya Investment Management

52-Week Ranges	High	Low
NAV (\$)	3.53	2.99
Market Price (\$)	3.15	2.50

FUND 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: 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

Ethan Turner, CFA

Industry start date: 2005
Start date Fund Portfolio Manager: 2023

PORTFOLIO BREAKDOWN	% Fund
Convertible Securities	59.33
High Yield Bonds	37.96
Other	1.58
Cash and Equivalents	1.13

SECTOR ALLOCATIONS	% Invested Assets
Information Technology	18.86
Consumer Discretionary	18.57
Industrials	17.84
Financials	10.54
Health Care	9.05
Communication Services	7.76
Energy	5.55
Utilities	4.18
Real Estate	3.89
Materials	3.01
Consumer Staples	0.76

RATINGS DISTRIBUTION	% Fixed Income
A	1.73
BBB	7.91
BB	22.26
B	15.29
CCC and Below	0.85
Not Rated	51.95

DISTRIBUTION HISTORY	
Ex-Date	Distributions
3/8/2024	\$0.0300
2/9/2024	\$0.0300
1/11/2024	\$0.0300
12/8/2023	\$0.0300
11/10/2023	\$0.0300
10/11/2023	\$0.0300

TOP TEN HOLDINGS	% Fund
Wells Fargo & Company 7.5 % Non Cum Perp Conv Pfd Registered Shs A Series L	3.15
Block, Inc. 0.125% 3/1/2025	2.22
Uber Technologies, Inc. 0.0% 12/15/2025	2.19
Southern Company 3.875% 12/15/2025	2.14
Welltower Inc. 2.75% 5/15/2028	2.04
Affirm Holdings, Inc. 0.0% 11/15/2026	1.89
Pg&e Corporation 4.25% 12/1/2027	1.86
Microstrategy Incorporated 0.0% 2/15/2027	1.76
Global Payments Inc. 1.5% 3/1/2031	1.75
Royal Caribbean Cruises Ltd	1.68

Holdings and sector weightings are subject to change.

FIXED INCOME CHARACTERISTICS	Fund
Weighted Average Maturity	4.09
Weighted Average Current Yield	3.71

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.

IMPORTANT RISK CONSIDERATIONS

Convertible Securities: A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **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. **Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid. **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. **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. **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.