

INVESTMENT OPPORTUNITY

The Fund seeks current income and gains, with long-term capital appreciation as a secondary objective.

Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in securities and other instruments that provide dividends, interest or option premiums.

The Fund will employ an option strategy of writing (selling) covered call options on equity securities held in the Fund.

The equity portion of the Fund generally invests in U.S. equities and American depositary receipts (ADRs) with attractive quality characteristics, shareholder yield, and consistent financial output.

The convertible portion of the Fund generally invests in income-producing convertible securities, including synthetic convertible securities, and may include convertible securities that are of below-investment grade quality.

The option portion of the Fund is designed to generate gains from option premiums in an attempt to enhance amounts available for distributions payable to the Fund's shareholders.

NYSE Ticker	NFJ
Inception Date	2/28/2005
Number of Investments	216
Net Asset Value (\$)	14.64
Market Price (\$)	12.60
Discount to NAV (%)	-13.93
Shares Outstanding (m)	94.80
Average Daily Volume	209,602
Total Net Assets (\$m)	1,387.44
Preferred Assets (\$m)	0.00
Borrowed Debt (\$m)	0.00
Total Managed Assets (\$m)	1,387.44
Distribution Frequency	Quarterly
Investment Adviser	Virtus Investment Advisers, Inc.
Investment Subadvisers	NFJ Investment Group Voya Investment Management

52-Week Ranges	High	Low
NAV (\$)	14.93	12.52
Market Price (\$)	12.83	10.49

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	11.35	20.18	20.18	5.08	9.99	5.30	5.41
Market Price	13.37	21.22	21.22	5.42	11.39	5.14	5.03

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 1.07%. The net expense ratio is 0.96%, which reflects a contractual expense reimbursement in effect through 2/1/2025.

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, 0.06%. 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	20.18	-20.71	21.77	14.39	21.26	-8.63	9.16	10.95	-9.20	3.59
Market Price	21.22	-23.72	26.69	11.97	30.77	-12.06	12.62	11.93	-13.05	-0.17

INVESTMENT PROFESSIONALS

John R. Mowrey, CFA

Industry start date: 2007
Start date Fund Portfolio Manager: 2017

R. Burns McKinney, CFA

Industry start date: 1996
Start date Fund Portfolio Manager: 2017

Thomas Oliver, CFA, CPA

Industry start date: 1995
Start date Fund Portfolio Manager: 2017

Kris P. Marca, CFA

Industry start date: 2003
Start date Fund Portfolio Manager: 2021

Justin M. Kass, CFA

Industry start date: 1998
Start date Fund Portfolio Manager: 2021

Michael E. Yee

Industry start date: 1994
Start date as Fund Portfolio Manager: 2022

Ethan Turner, CFA

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

FUND MANAGEMENT



NFJ Investment Group (NFJ) is a global value equity manager with a rich heritage and deep roots in Dallas, Texas, dating to 1989. NFJ is unwavering in its commitment to investing at the intersection of value, quality, and shareholder yield, seeking to identify companies with low market expectations and the strongest prospects for returning capital to shareholders.

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.

PORTFOLIO BREAKDOWN

	% Fund
Common Equities	77.87
Convertible Securities	19.40
Cash and Equivalents	2.80
Derivatives	-0.06

SECTOR ALLOCATIONS

	% Fixed
Technology	25.90
Financials	17.12
Consumer Discretionary	17.07
Healthcare	12.62
Industrials	10.28
Utilities	7.08
Media	4.74
Transportation	1.61
Energy	1.36
Materials	1.36
Consumer Staples	0.86

SECTOR ALLOCATIONS

	% Equity
Financials	23.02
Real Estate	15.54
Health Care	12.28
Industrials	9.17
Utilities	8.97
Consumer Discretionary	8.12
Information Technology	7.18
Consumer Staples	5.27
Materials	4.31
Energy	4.23
Communication Services	1.91

RATINGS DISTRIBUTION

	% Fixed Income
A	4.36
BBB	10.85
BB	2.25
B	0.67
CCC and Below	0.33
Not Rated	81.55

DISTRIBUTION HISTORY

Ex-Date	Distributions
12/8/2023	\$0.2450
9/8/2023	\$0.2450
6/9/2023	\$0.2450
3/10/2023	\$0.2450
12/29/2022	\$0.0165
12/9/2022	\$0.2450

TOP TEN HOLDINGS

	% Fund
Bank of America Corp	3.25
Rexford Industrial Realty Inc	3.25
Intuit Inc	3.25
Alexandria Real Estate Equities Inc	3.22
PNC Financial Services Group Inc/The	2.47
Eversource Energy	2.36
NextEra Energy Inc	2.19
Edwards Lifesciences Corp	1.64
MSCI Inc	1.64
Agilent Technologies Inc	1.63

Holdings and sector weightings are subject to change.

FIXED INCOME CHARACTERISTICS

	Fund
Weighted Average Maturity	3.37
Weighted Average Current Yield	1.62

IMPORTANT RISK CONSIDERATIONS

Equity Securities: The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small, medium, or large-sized companies may enhance that risk. **Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **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. **Options:** Selling call options may limit the opportunity to profit from the increase in price of the underlying asset. Selling put options risks loss if the option is exercised while the price of the underlying asset is rising. Buying options risks loss of the premium paid for those options. **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. **Preferred Stocks:** Preferred stocks may decline in price, fail to pay dividends, or be illiquid. **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.

FUND DISTRIBUTION AND MANAGED DISTRIBUTION PLAN

The Board of Trustees of the Fund has adopted a Managed Distribution Plan, which provides for the Fund to make a regular quarterly distribution of \$0.245 per share.

This notice discloses information on the sources of the distribution as required by SEC Rule 19(a) of the Investment Company Act of 1940 and the Fund's SEC Exemptive Order under Section 19(b) as follows:

DISTRIBUTION ESTIMATES

	DECEMBER 2023 (QTD)		FISCAL YEAR-TO-DATE (YTD) ¹	
	Per Share Amount	% of Current Distribution	Per Share Amount	% of Current Distribution
Net Investment Income	\$0.164	66.9%	\$0.288	29.4%
Net Realized Short-Term Capital Gains	—	0.0%	\$0.405	41.3%
Net Realized Long-Term Capital Gains	\$0.081	33.1%	\$0.287	29.3%
Return of Capital (or other Capital Sources)	—	0.0%	—	0.0%
Total Distribution	\$0.245	100.0%	\$0.980	100.0%

¹ Fiscal year started February 1, 2023.

Information regarding the fund's performance and distribution rates is set forth below. Please note that all performance figures are based on the fund's NAV and not the market price of the fund's shares. Performance figures are not meant to represent individual shareholder performance.

December 31, 2023

Average Annual Total Return on NAV for the 5-year period ²	9.99%
Annualized Current Distribution Rate ³	6.69%
Fiscal YTD Cumulative Total Return on NAV ⁴	10.78%
Fiscal YTD Cumulative Distribution Rate ⁵	6.69%

² Average Annual Total Return on NAV is the annual compound return for the five-year period. It reflects the change in the fund's NAV and reinvestment of all distributions.

³ Annualized Current Distribution Rate is the current distribution rate annualized as a percentage of the fund's NAV at month end.

⁴ Fiscal YTD Cumulative Total Return on NAV is the percentage change in the fund's NAV from the first day of the fiscal year to this month end, including distributions paid and assuming reinvestment of those distributions.

⁵ Fiscal YTD Cumulative Distribution Rate is the dollar value of distributions from the first day of the fiscal year to this month end as a percentage of the fund's NAV at month end.

Under the terms of the Fund's Managed Distribution Plan, the Fund seeks to maintain a consistent distribution level that may be paid in part or in full from net investment income, realized capital gains, and a return of capital, or a combination thereof. You should not draw any conclusions about the Fund's investment performance from the amount of this distribution or from the terms of the Fund's Managed Distribution Plan. Shareholders should note, however, that if the Fund's aggregate net investment income and net realized capital gains are less than the amount of the distribution level, the difference will be distributed from the Fund's assets and will constitute a return of the shareholder's capital.

The Board of Trustees of the Fund may amend, suspend, or terminate the Managed Distribution Plan at any time, without prior notice to shareholders, if it deems such action to be in the best interest of the Fund and its shareholders. The termination, amendment, or suspension of the Managed Distribution Plan may cause a loss in the market value of the Fund's shares.

The amounts and sources of distributions reported in Section 19(a) Notices are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of the fiscal year and may be subject to changes based on tax regulations. The Fund or your broker will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

FOR MORE INFORMATION

Contact your financial representative, or call Virtus Closed-End Funds for service at 1-866-270-7788. Information on the Fund is available at www.virtus.com.