

4Q

MULTI-ASSET
Virtus Equity & Convertible Income Fund

INVESTMENT OPPORTUNITY

The Fund seeks total return comprised of capital appreciation, current income, and gains.

Under normal circumstances, the Fund will invest at least 80% of its net assets (plus any borrowings for investment purposes) in a combination of equity securities and income-producing convertible securities.

The equity component of the Fund may vary from 40-80% and the convertible component may vary from 20-60% of assets.

The Fund typically employs a strategy of writing (selling) call options on the stocks held in the equity component, generally with respect to approximately 70% of the value of each stock position. The extent to which the Fund uses this strategy will vary depending on market conditions and other factors. This strategy is intended to generate current gains from options premiums as a means to enhance distributions payable to the Fund's shareholders and to reduce overall portfolio risk.

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

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
NAV	9.66	22.94	22.94	3.05	12.92	9.07	8.09
Market Price	7.60	26.45	26.45	2.97	13.76	10.15	7.83

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 1.18%. The net expense ratio is 1.07%, 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, 0.07%. 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	22.94	-24.37	17.70	33.04	26.10	-3.76	16.79	9.14	-1.42	7.31
Market Price	26.45	-27.42	18.94	33.29	30.96	-5.82	23.54	11.29	-5.80	13.12

NYSE Ticker	NIE
Inception Date	2/27/2007
Number of Investments	167
Net Asset Value (\$)	23.75
Market Price (\$)	20.91
Discount to NAV (%)	-11.96
Shares Outstanding (m)	27.71
Average Daily Volume	78,630
Total Net Assets (\$m)	658.22
Preferred Assets (\$m)	0.00
Borrowed Debt (\$m)	0.00
Total Managed Assets (\$m)	658.22
Distribution Frequency	Quarterly
Investment Adviser	Virtus Investment Advisers, Inc.
Investment Subadviser	Voya Investment Management

52-Week Ranges	High	Low
NAV (\$)	24.11	20.84
Market Price (\$)	21.86	18.17

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 as Fund Portfolio Manager: 2007

Michael E. Yee

Industry start date: 1994

Start date as Fund Portfolio Manager: 2007

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
Common Equities	60.57
Convertible Securities	34.57
Cash and Equivalents	4.90
Other	0.00
Derivatives	-0.04

SECTOR ALLOCATIONS

	% Invested Assets
Information Technology	28.15
Consumer Discretionary	18.86
Financials	12.45
Health Care	11.67
Communication Services	8.98
Industrials	8.72
Utilities	3.98
Real Estate	2.05
Energy	2.02
Materials	1.83
Consumer Staples	1.28

RATINGS DISTRIBUTION

	% Fixed Income
A	3.80
BBB	8.93
B	0.67
CCC and Below	0.32
Not Rated	86.28

DISTRIBUTION HISTORY

Ex-Date	Distributions
12/8/23	\$0.5000
9/8/23	\$0.5000
6/9/23	\$0.5000
3/10/23	\$0.5000
12/29/22	\$1.9765
12/9/22	\$0.5000

TOP TEN HOLDINGS

	% Fund
Microsoft Corp	4.03
Alphabet, Inc.- Cl A	3.78
Amazon.com Inc	3.14
Apple Inc	2.44
Tesla Inc	2.43
Mastercard Inc	2.14
NVIDIA Corp	2.05
UnitedHealth Group Inc	1.96
CrowdStrike Holdings Inc	1.42
Union Pacific Corp	1.40

Holdings and sector weightings are subject to change.

FIXED INCOME CHARACTERISTICS

	Fund
Weighted Average Maturity	3.16
Weighted Average Current Yield	1.53

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 \$0.500 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	—	0.0%	\$0.169	8.4%
Net Realized Short-Term Capital Gains	\$0.010	2.0%	\$0.424	21.2%
Net Realized Long-Term Capital Gains	\$0.092	18.4%	\$0.298	14.9%
Return of Capital (or other Capital Sources)	\$0.398	79.6%	\$1.109	55.5%
Total Distribution	\$0.500	100.0%	\$2.000	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	12.92%
Annualized Current Distribution Rate ³	8.42%
Fiscal YTD Cumulative Total Return on NAV ⁴	15.71%
Fiscal YTD Cumulative Distribution Rate ⁵	8.42%

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.

The Fund estimates that it has distributed more than its income and capital gains; therefore, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the fund is paid back to you.

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.