

Fund Information

Symbol and CUSIP

A shares	VHFAX	(92828W874)
C shares	VHFCX	(92828W866)
I shares	VHFIX	(92828W858)

Investment Adviser

Virtus Investment Advisers, Inc.

Investment Subadviser

Thomas J. Herzfeld Advisors

AUM (\$ millions)	64.1
Number of Holdings	39
Dividends	Quarterly

Investment Professionals

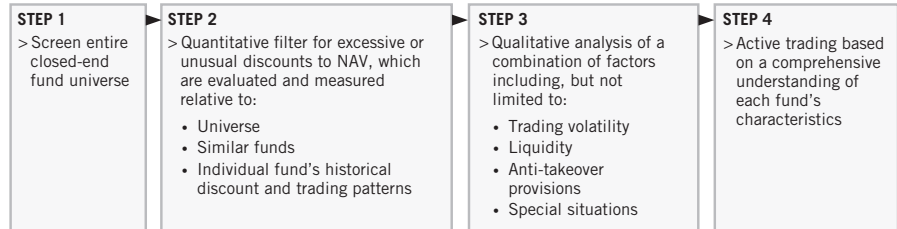
Thomas J. Herzfeld
Industry start date: 1968
Start date with Fund: 2012

Erik M. Herzfeld
Industry start date: 1998
Start date with Fund: 2012

INVESTMENT OPPORTUNITY

The Fund looks to generate attractive risk-adjusted returns by actively managing a portfolio of primarily closed-end funds.

Investment Process



Average Annual Total Returns Class I at NAV as of 09/30/2017 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 09/05/2012
Fund	3.94	13.43	15.07	7.59	8.31	n/a	8.64
Index	3.44	11.43	10.89	5.67	7.00	n/a	7.38

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

The fund class gross expense ratio is 2.56%. The net expense ratio is 2.43%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

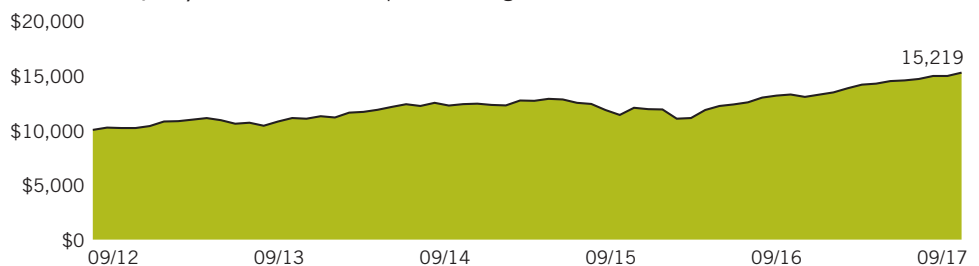
The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.35%.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Class I shares have no sales charge and therefore their returns do not reflect the deduction of a sales charge, which if applied, would reduce the performance quoted. Fees and expenses vary among share classes and other share classes do carry sales charges. Class I shares are offered primarily to eligible institutional investors who purchase the minimum amounts required and may not be available to all investors. For fund performance on other share classes, please visit www.virtus.com.

Annual Performance Class I in percent

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fund	n/a	n/a	n/a	n/a	n/a	n/a	8.66	9.15	-3.36	13.09
Index	n/a	n/a	n/a	n/a	n/a	n/a	12.32	4.96	-0.98	5.92

Growth of \$10,000 Class I for the period ending 09/30/2017



An investment of \$10,000 made on 09/05/2012 would be worth \$15,219.13 on 09/30/2017, assuming no front end sales charges.

Index: The composite index consists of 60% MSCI AC World Index (net) and 40% Bloomberg Barclays U.S. Aggregate Bond Index. The MSCI AC World Index (net) is a free float-adjusted market capitalization-weighted index that measures equity performance of developed and emerging markets. The index is calculated on a total return basis with net dividends reinvested. The Bloomberg Barclays U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Top Ten Holdings

	% Fund
Nexpoint Credit Strategies Fund	8.07
Eagle Point Credit Company Inc 7 % Notes 2015-31.12.20	5.83
Central Securities Corp	4.98
Boulder Growth & Income Fund Inc	4.83
Tekla Healthcare Opportunities Fund	4.72
BlackRock Science & Technology Trust	4.70
MVC Capital Inc (Doing Business As MVC Capital) 7 1/4 % Notes 2013-15.	3.31
Adams Natural Resources Fund Inc	3.20
Alpine Total Dynamic Dividend Fund	3.07
Oxford Lane Capital Corp 7 1/2 % Term Cum Pfd Shs Series -2023-	2.43

Asset Allocations

	%Fund
Closed End Funds (Domestic Equity)	34.81
Closed End Funds (Foreign Equity)	22.05
Cash and Equivalents	19.58
Preferred Stocks	13.36
Closed End Funds (Domestic Bonds)	10.21

DISTRIBUTION HISTORY

Ex-Date	Distribution
12/29/16	\$0.098000
03/30/17	\$0.075000
06/29/17	\$0.126000
09/28/17	\$0.095000

Characteristics

	Fund
Average Weighted Discount of Portfolio	-10.10%
Number of Holdings	39

IMPORTANT RISK CONSIDERATIONS:

Closed-end Funds: Closed-end funds may trade at a discount from their net asset values, which may affect whether the fund will realize gains or losses. They may also employ leverage, which may increase volatility. **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 or medium-sized companies may enhance that risk. **Credit & Interest:** Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk. **Fund of Funds:** Because the fund can invest in other funds, it indirectly bears its proportionate share of the operating expenses and management fees of the underlying fund(s). **Prospectus:** For additional information on risks, please see the fund's prospectus.

Investment Manager of the Fund

Thomas J. Herzfeld Advisors' investment philosophy is predicated on recognizing the recurring valuation patterns found in the closed-end fund industry and exploiting them in a systematic manner.

Please carefully consider a Fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit Virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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