

**Allocation--50% to 70% Equity**

Overall Morningstar Rating™ Based on risk adjusted returns as of 06/30/2017. Rating out of 727 Funds.

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)	65.6
Number of Holdings	41
Dividends	Quarterly

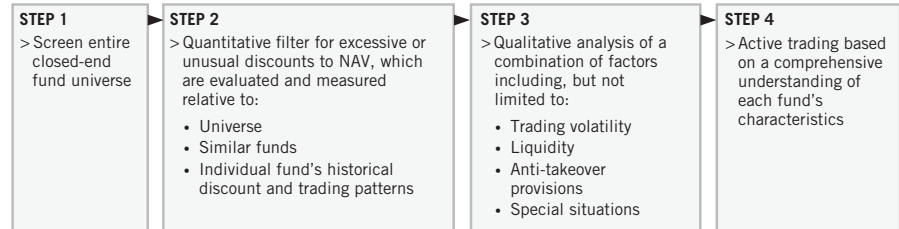
Investment Professionals

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 A as of 06/30/2017 in percent

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 09/05/2012
NAV	2.94	8.90	16.64	5.58	n/a	n/a	7.95
POP	-2.98	2.64	9.94	3.51	n/a	n/a	6.63
Index	3.14	7.72	10.80	4.03	n/a	n/a	7.02

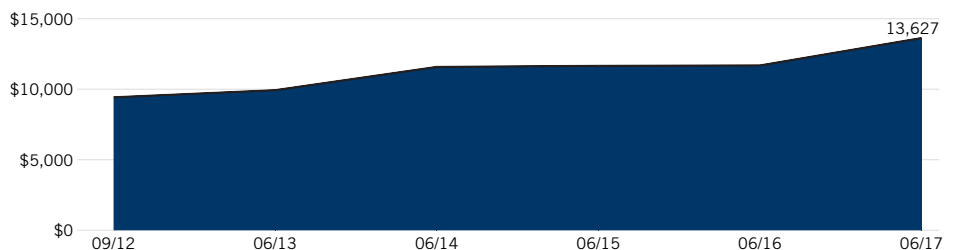
The fund class gross expense ratio is 2.81%. The net expense ratio is 2.68%, which reflects a contractual expense reimbursement in effect through 4/30/2018. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus the indirect expenses incurred by the underlying funds in which the Fund invests is 1.60%.

Average annual total returns reflect the change in share price and the reinvestment of all dividends and capital gains. Net Asset Value (NAV) returns do not reflect the deduction of any sales charges. POP (Public Offering Price) performance reflects the deduction of the maximum sales charge of 5.75%. A contingent deferred sales charge of 1% may be imposed on certain redemptions within 18 months on purchases on which a finder's fee has been paid.

Annual Performance Class A at NAV 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	8.37	8.92	-3.61	12.83
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 A for the period ending 06/30/2017 *Actual initial investment \$9,425*

This chart assumes an initial investment of \$10,000 made on Sep 05, 2012 for Class A shares including any applicable sales charges. Performance assumes reinvestment of dividends and capital gain distributions.

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.

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	11.14
Eagle Point Credit Company Inc 7 % Notes 2015-31.12.20	5.77
Oxford Lane Capital Corp 8.125% Liquidation Pfd Shs Series 2024	5.39
Central Securities Corp	4.64
Boulder Growth & Income Fund Inc	4.49
BlackRock Science & Technology Trust	4.18
Tekla Healthcare Opportunities Fund	3.86
MVC Capital Inc (Doing Business As MVC Capital) 7 1/4 % Notes 2013-15.	3.24
Adams Natural Resources Fund Inc	2.83
Alpine Total Dynamic Dividend Fund	2.73

Asset Allocations	%Fund
Closed End Funds (Domestic Equity)	28.94
Closed End Funds (Foreign Equity)	20.93
Preferred Stocks	17.18
Cash and Equivalents	16.32
Closed End Funds (Domestic Bonds)	14.87
Closed End Funds (Senior Loan)	1.23
Closed End Funds (Foreign Bonds)	0.52

DISTRIBUTION HISTORY

Ex-Date	Distribution
09/29/2016	\$0.079000
12/29/2016	\$0.090000
03/30/2017	\$0.067000
06/29/2017	\$0.119000

Characteristics	Fund
Average Weighted Discount of Portfolio	-11.01%
Number of Holdings	41

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.

Morningstar For the 3-year period the Fund was rated 4 stars among 727 funds in the Allocation--50% to 70% Equity category for the time period ending 06/30/2017.

Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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