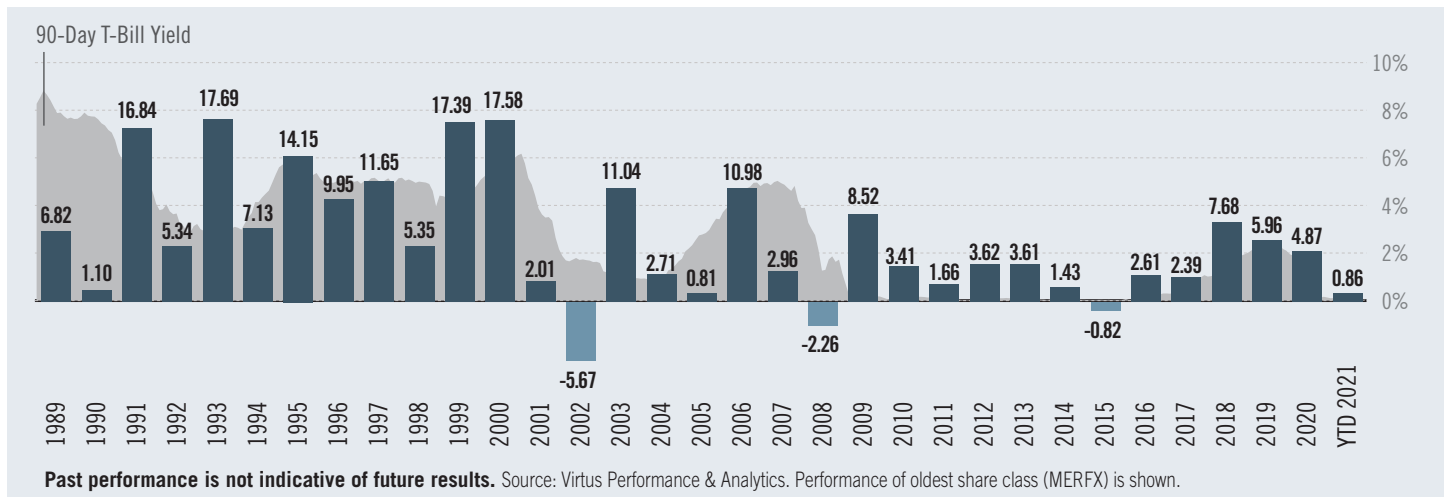


Time-Tested Track Record: Positive Performance in 29 out of 32 Years

January 31, 1989–June 30, 2021 (%)



Portfolio Diversifier and Potential Volatility Dampener

Merger arbitrage strategies have historically provided attractive absolute returns with lower volatility and minimal correlation relative to traditional stock and bond strategies, making for a powerful portfolio diversifier.

A Pioneer in Liquid Alternative Investments

The Merger Fund® was the first mutual fund devoted exclusively to merger arbitrage, offering access to an alternative strategy in a regulated, transparent, and daily liquidity fund that has provided investors positive performance in 29 of 32 years since its inception in 1989.*

Proven Expertise

A leader in global event driven investing for over 30 years, Westchester has evaluated more than 10,000 announced transactions, and invested in over 4,500 mergers, acquisitions, and corporate reorganizations, of which more than 98% were completed.



“We aim to provide ‘all weather’ returns with minimal correlation to traditional stocks and bonds. We focus exclusively on returns generated by catalyst-driven corporate events, rather than direction of the broad markets.”

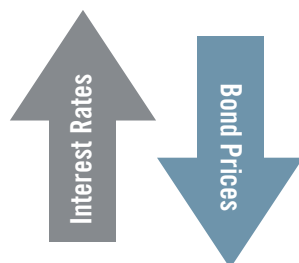
Roy D. Behren
 Portfolio Manager Since 2007

The Impact of Interest Rates on Returns

Unlike bond portfolios, event-driven strategies (and other absolute return vehicles), have historically exhibited a positive correlation with interest rate levels. Inclusion of such strategies may provide a hedge to the decreased value of bonds in a portfolio.

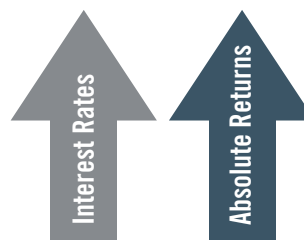
Bonds: Negative Correlation

Bond prices move in the opposite direction of interest rates. Therefore, when interest rates rise, bond prices fall.



Event Driven: Positive Correlation

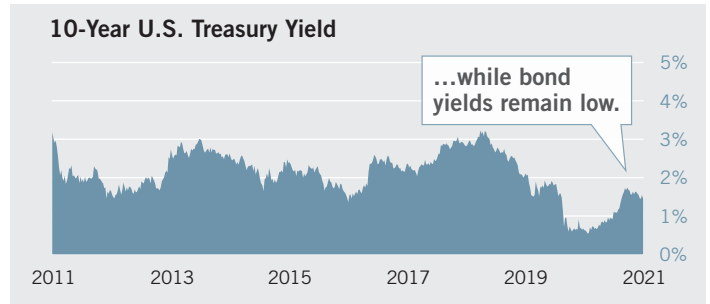
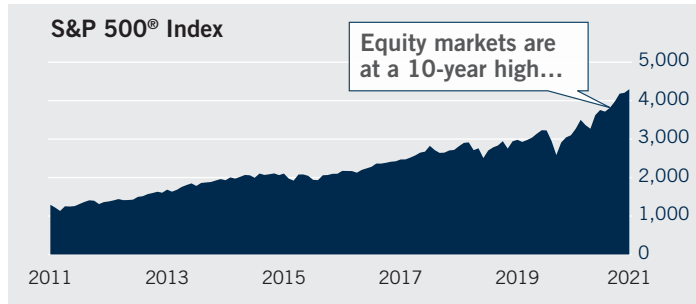
Absolute return strategies tend to exhibit a positive correlation to interest rates. Therefore, as rates climb, so do total potential returns.



*The track record refers to the original share class of the Fund, which was known as Investor Class at the time and is now known as Class A, from inception of 1/31/89 until inception on 8/1/13 of the Institutional Class which is now known as Class I. Returns would differ only to the extent that Class I shares do not have the same expenses as Class A shares. Effective October 1, 2021, the Fund’s investment adviser and distributor have changed. The distributor is VP Distributors, LLC.

Beyond the Traditional Balanced Portfolio

With stocks at all-time highs and bond yields near generational lows, investors are faced with the challenge of achieving sufficient returns to fulfill their long-term investment objectives, regardless of the direction of stock and bond markets. It's time to rethink traditional strategies; the need for alternatives has never been greater.



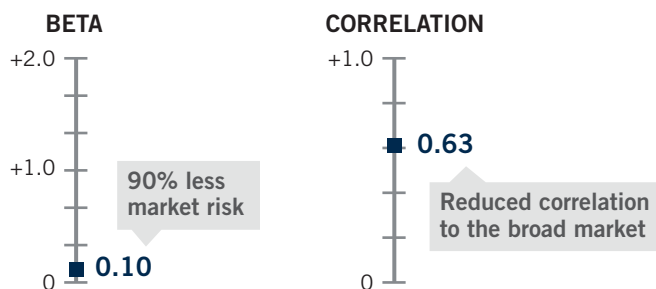
Source: Virtus Performance & Analytics. S&P 500® Index closing price data measured monthly. 10-year U.S. Treasury Yield data measured weekly. Time period shown is 7/1/2011–6/30/2021.

Seek Out Diversification and Defense

Investors look to liquid alternative, event-driven strategies when seeking stable returns with the potential for reduced exposure to directional movements in the stock and bond markets.

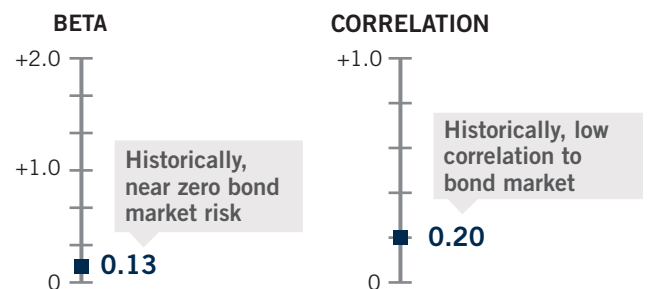
Stock Diversification— Minimizing Drawdowns in Volatile Stock Markets

MERFX vs. S&P 500® Index—
6/30/18–6/30/21

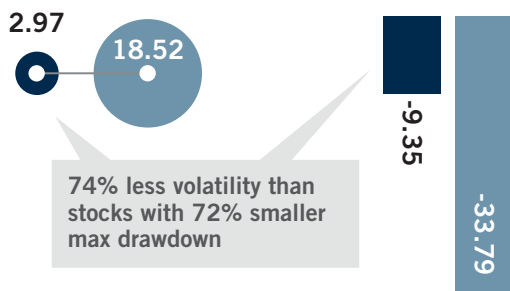


Bond Diversification— Bond-Like Returns Without Bond Market Risks

MERFX vs. Bloomberg U.S. Aggregate Bond Index—
6/30/18–6/30/21

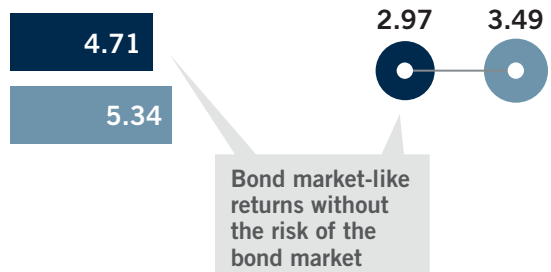


STANDARD DEVIATION (%) MAX DRAWDOWN (%)



■ MERFX ■ S&P 500®

RETURNS (%) STANDARD DEVIATION (%)



■ MERFX ■ Bloomberg U.S. Aggregate Bond

Source: Morningstar Direct.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/21

	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception	
							8/1/13	1/31/89
MERIX	0.69	1.61	6.84	5.03	5.12	n/a	3.77	n/a
MERFX NAV	0.63	1.49	6.56	4.71	4.80	3.13	n/a	6.01
POP	-4.91	-4.09	0.70	2.76	3.62	2.55	n/a	5.82
Index 1	0.00	0.02	0.09	1.34	1.17	0.63	0.77	2.98
Index 2	1.29	3.10	9.44	4.33	3.96	n/a	n/a	n/a
Index 3	1.87	4.62	13.82	6.18	5.46	4.03	4.15	6.49

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. Class A shares have a maximum sales charge of 5.50%. 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. Class I shares have no sales charges and are not available to all investors. See virtus.com for details.

MERIX: The fund class gross expense ratio is 1.33%. The net expense ratio is 1.24%, which reflects a contractual expense reimbursement in effect through 9/30/2023, and a contractual expense waiver in effect through 9/30/2023. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus dividend and interest expense on short sales and indirect expenses incurred by the underlying funds in which the Fund invests is 1.17%.

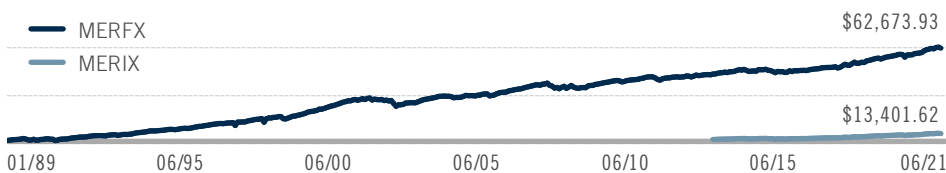
MERFX: The fund class gross expense ratio is 1.63%. The net expense ratio is 1.53%, which reflects a contractual expense reimbursement in effect through 9/30/2023, and a contractual expense waiver in effect through 9/30/2023. This ratio reflects the direct and indirect expenses paid by the Fund.

The net expense ratio minus dividend and interest expense on short sales and indirect expenses incurred by the underlying funds in which the Fund invests is 1.46%.

Average annual total return is the annual compound return for the indicated period and 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.

AVERAGE ANNUAL TOTAL RETURNS (%) as of 06/30/21

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
MERIX	5.15	6.32	7.98	2.74	2.94	-0.52	1.63	n/a	n/a	n/a
MERFX	4.87	5.96	7.68	2.39	2.61	-0.82	1.43	3.61	3.62	1.66
Index 1	0.67	2.28	1.87	0.86	0.33	0.05	0.03	0.07	0.11	0.10
Index 2	4.93	6.11	0.27	2.79	3.46	-4.06	n/a	n/a	n/a	n/a
Index 3	6.24	7.65	1.95	4.32	4.18	-0.72	1.66	7.94	5.22	1.14

GROWTH OF \$10,000


MERFX: This chart assumes an initial investment of \$10,000 made on 01/31/1989. As of 6/30/2021 the fund value would have been \$62,673.93. Fund performance assumes reinvestment of dividends and capital gain distributions and reflects a front end sales charge of 5.50%.

MERIX: This chart assumes an initial investment of \$10,000 made on 08/01/2013. As of 6/30/2021 the fund value would have been \$13,401.62. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

POSITION SUMMARY

Average Position Size	1.51%
Number of Long Positions	72
Number of Short Positions	19
Percent Invested	100%
Short Positions as a % of Net Assets	38%

RISK STATISTICS

(3 Year)	MERIX	MERFX	Index 1
Alpha	3.74	3.44	n/a
Beta	-2.45	-2.48	1.00
R ²	0.07	0.07	n/a
Sharpe Ratio	1.26	1.16	0.11
Standard Deviation	2.94	2.92	0.32

Index 1: ICE BofA US Treasury Bill 3 Month Index)
See Glossary on last page for definitions of these metrics.

DEAL TERMS

	% Long Positions
Cash	48.51
Stock with Fixed Exchange Ratio	24.10
Cash and Stock	22.08
Stock and Stub	4.79
Risk Reversal	0.49
Undetermined*	0.02

See last page for definitions of these terms.

*The compensation is undetermined because the compensation to be received (e.g., stock, cash, escrow notes, other) will be determined at a later date, potentially at the option of the Fund's investment adviser.

Deal terms, regional exposure, sector exposure, and top positions are subject to change.

PORTFOLIO MANAGERS



Roy Behren
Industry start date: 1987
Start date as Fund Portfolio Manager: 2007



Michael Shannon, CFA
Industry start date: 1988
Start date as Fund Portfolio Manager: 2007

FUND INFORMATION

Inception Date	01/31/1989 (Class A); 08/01/13 (Class I)
AUM (\$ millions)	4,279.9
Dividends	Annually
Morningstar Category	Event Driven
Index 1	ICE BofA US Treasury Bill 3 Month Index
Index 2	Wilshire Liquid Alternative Event Driven Index
Index 3	Morningstar US Fund Event Driven Category Average

REGIONAL EXPOSURE

	% Long Positions
United States	76.69
Europe ex-U.K.	15.94
United Kingdom	5.23
Asia ex-Japan	0.89
Japan	0.74
North America Offshore	0.35
Canada	0.16

INDEX DEFINITIONS

Index 1: The **ICE BofA US Treasury Bill 3 Month Index** measures performance of the three-month Treasury bill, based on monthly average auction rates. 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.

Index 2: The **Wilshire Liquid Alternative Event Driven Index** measures the performance of the event-driven strategy component of the Wilshire Liquid Alternative Index. Event-driven strategies predominantly invest in companies involved in corporate transactions such as mergers, restructuring, distressed, buy backs, or other capital structure changes. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Index 3: The **Morningstar US Fund Event Driven Category Average** contains strategies that attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. Activist shareholder and distressed investment strategies also fall into this category. These portfolios typically focus on equity securities but can invest across the capital structure. The category average is calculated on a total return basis with dividends reinvested. The category average is unmanaged and is not available for direct investment.

IMPORTANT RISK CONSIDERATIONS

Fundamental Risk of Investing: There can be no assurance that the portfolio will achieve its investment objectives. An investment in the portfolio is subject to the risk of loss of principal; shares may decrease in value. **Merger-arbitrage & Event-driven:** Merger-arbitrage and event-driven investing involve the risk that the adviser's evaluation of the outcome of a proposed event, whether it be a merger, reorganization, regulatory issue, or other event, will prove incorrect and that the Fund's return on the investment may be negative. **Short Sales:** The portfolio may engage in short sales and may incur a loss if the price of a borrowed security increases before the date on which the portfolio replaces the security. **Foreign:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. **Portfolio Turnover:** The portfolio's principal investment strategies may result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when the portfolio is held in a taxable account. **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

SECTOR EXPOSURE

	% Long Positions ex-SPACs
Information Technology	36.68
Financials	15.73
Health Care	14.33
Consumer Discretionary	11.28
Industrials	9.89
Real Estate	6.26
Materials	3.25
Utilities	1.62
Communication Services	0.69
Energy	0.27

TOP TEN POSITIONS

	% Fund
Willis Towers Watson Public Limited Co.	6.20
Alexion Pharmaceuticals, Inc.	5.73
IHS Markit Ltd.	5.34
Altaba Inc.	4.91
Maxim Integrated Products, Inc.	4.64
Slack Technologies, Inc.	4.62
Coherent, Inc.	4.44
Xilinx, Inc.	4.36
Nuance Communications, Inc.	3.98
Kansas City Southern	3.30

Deal terms, regional exposure, sector exposure, and top positions are subject to change.

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. **Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. **Hedging:** The portfolio's hedging strategy will be subject to the portfolio's investment adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. **Market Volatility:** Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended. **Prospectus:** For additional information on risks, please see the fund's prospectus.

Deal terms reflect the classification of the type of transaction. Cash reflects an all-cash proposal by one company to buy another's outstanding shares; cash and stock involves a cash proposal and additional stock in the acquiring company; stock with a fixed exchange ratio refers to a strategy whereby the acquired company safeguards itself from fluctuation in share prices; stock with stub represents remaining equity left over after a company converts its bonds to stub stocks because of the takeover or bankruptcy; and risk reversal is a hedging strategy that protects a long or short position by using put and call options.

GLOSSARY

Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark. **Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Correlation Coefficient:** A measure that determines the degree to which two variables' movements are associated. The correlation coefficient will vary from -1 to +1. A -1 indicates perfect negative correlation and +1 indicates perfect positive correlation. **Long Position:** Refers to the purchase of a security with the expectation that it will rise in value. **Maximum Drawdown:** The peak-to-trough decline during a specific record period of an investment, fund, or commodity. A drawdown is usually quoted as the percentage between the peak and the trough. **R²:** A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. **Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Short Position:** Refers to the sale of a borrowed security with the intention of buying it back later at a lower price. **Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

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

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