

INVESTMENT OVERVIEW

The Fund seeks to deliver consistent, positive absolute returns with low duration and credit risk by investing across several catalyst-driven, credit strategies. The highly specialized team seeks to provide both current income and capital appreciation by investing in credit events, late stage distressed, pre- and post-bankruptcy opportunities, as well as similar thematic investments, serving as an alternative to traditional bond funds.

KEY FEATURES

Fixed Income Portfolio Diversifier — Investment returns are driven by the outcome of dynamic, catalyst-focused corporate events rather than duration, credit quality, and/or the general direction of the broad fixed income market.

A Differentiated Source and Pattern of Returns — Flexible credit event strategies seek to provide attractive risk-adjusted returns independent of credit market cycles and, unlike bonds, the strategy has exhibited a positive correlation to interest rates.

Proven Expertise — With a history spanning more than three decades, Westchester is a leading investment manager of event-driven strategies. The Firm has a proven track record of identifying profitable event-driven opportunities through all market cycles.

FUND INFORMATION

	Ticker	CUSIP
A Shares	WCFRX	95737C707
I Shares	WCFIX	95737C806
Inception Date	12/29/17	
AUM (\$ millions)	15.4	
Dividends	Annually	
Morningstar Category	Event Driven	
Index	ICE BofA Merrill Lynch US 3-Month Treasury Bill Index	

FUND FACTS

Average Position Size	3.56%
Number of Positions	32
Long Exposure	114.05%
Short Exposure	0.00%
Net Exposure	114.05%
Gross Exposure	114.05%
Effective Duration	1.29
Maturity	3.42

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/21 ■ Fund Class I ■ Index ■ Index 2 ■ Index 3



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. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See virtus.com for details.

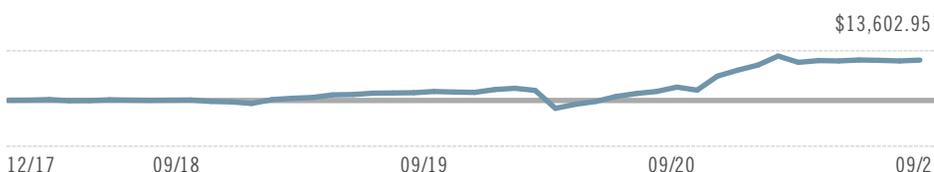
The fund class gross expense ratio is 2.72%. The net expense ratio is 2.38%, which reflects a contractual expense reimbursement in effect through 9/30/2023. This ratio reflects the direct and indirect expenses paid by the Fund. The net expense ratio minus dividend and interest expense on short sales and reverse repurchase agreements and indirect expenses incurred by the underlying funds in which the Fund invests is 1.64%.

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.

ANNUAL PERFORMANCE (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fund	15.89	12.87	-2.93	n/a						
Index	0.67	2.28	1.87	n/a						
Index 2	7.51	8.72	0.01	n/a						
Index 3	6.24	7.65	1.95	n/a						

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 12/29/2017. As of 9/30/2021 the fund value would have been \$13,602.95. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Effective October 1, 2021, the Fund's investment adviser and distributor have changed.

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★★★	42
3 Year	★★★★★	42
5 Year	Not Rated	n/a
10 Year	Not Rated	n/a

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive future performance.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER



Westchester Capital Management specializes in global event-driven investment strategies with a proven track record dating to 1989. Westchester invests in publicly announced mergers, acquisitions, takeovers, spin-offs, and other corporate reorganizations, with the goal of profiting from the timely completion of these transactions.

INVESTMENT PROFESSIONALS

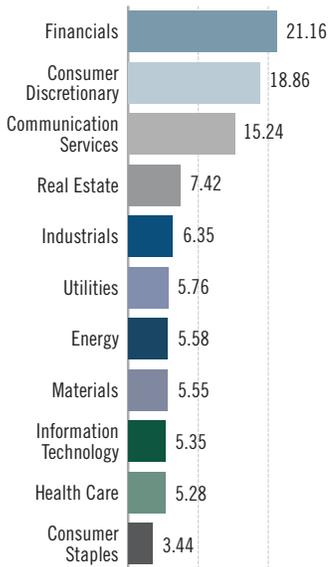
Roy Behren

Industry start date: 1987
 Start date as Fund Portfolio Manager: 2017

Michael Shannon, CFA

Industry start date: 1988
 Start date as Fund Portfolio Manager: 2017

SECTOR EXPOSURE % Long Positions ex-SPACs



Source: Westchester Capital Management.

REGIONAL EXPOSURE % Long Positions

United States	92.44
Europe ex-U.K.	4.30
Canada	1.51
North America Offshore	1.31
United Kingdom	0.41
Asia ex-Japan	0.03

CREDIT QUALITY % Fixed Income

A-/BBB/BBB-	8.14
BB+	0.00
BB	0.00
BB-	7.91
B+	0.00
B	13.04
B-	8.04
<CCC+	45.62
Not rated	17.25

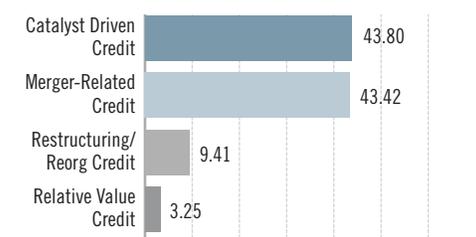
RISK STATISTICS (3 YEAR) Fund Index 1

Alpha	10.66	n/a
Beta	-17.38	1.00
R ²	0.19	n/a
Sharpe Ratio	0.73	0.12
Standard Deviation	13.15	0.33

TOP TEN POSITIONS

1	Syniverse Holdings Inc.	
2	Deutsche Wohnen SE	
3	WeWork Companies Inc.	
4	Vistajet Malta/XO Mgmt	
5	Cengage Learning Inc.	
6	Meredith Corp.	
7	Forterra Finance LLC	
8	Nuance Communications, Inc.	
9	Mallinckrodt International	
10	Claire's Stores Inc.	
	% Fund	41.66

SUB-STRATEGY ALLOCATION % Fund



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 Investing:** 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. **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. **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. **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. **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. **Lower-rated Securities:** Instruments in lower-rated and non-rated securities present a greater risk of loss to principal and interest than higher-rated securities. **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. **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.

Sector and regional exposure, top positions, credit quality, and sub-strategy allocations are subject to change.

Sub-strategy allocation reflects the classification of the type of transaction. Merger-related credit, in general, invests after a public acquisition is made; catalyst-driven credit involves investing while firms go through bankruptcy; relative-value credit seeks to take advantage of inefficiencies in the pricing of fixed income securities; and restructuring/reorg generally invest in value enhancing events like restructurings.

The ratings are provided by Standard & Poor's and assess the credit worthiness of a corporation's debt issues. The ratings apply to the fund's holdings and not the fund itself. Credit ratings are expressed as letters ranging from AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C, and D are below-investment grade ratings. NR (Not Rated) includes holdings that are not rated by S&P. Credit ratings are subject to change.

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. **Duration:** The interest rate sensitivity of a fixed income fund. For example, if the funds' duration is five years, a 1% increase in interest rates would result in a 5% decline in

the funds' price. Similarly, a 1% decline in interest rates would result in a 5% gain in the funds' price. **Long Position:** Refers to the purchase of a security with the expectation that it will rise in value. **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. **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.

INDEX DEFINITION

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 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. 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.

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. Ratings do not take into account the effect of sales charges and loads.

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