

# WESTCHESTER INVESTMENT SOLUTIONS AT-A-GLANCE

Beyond the Traditional Balanced Portfolio



	MERGER ARBITRAGE	EVENT DRIVEN	CREDIT EVENT
	The Merger® Fund	Virtus Westchester Event-Driven Fund	Virtus Westchester Credit Event Fund
	Ticker	Ticker	Ticker
	CUSIP	CUSIP	CUSIP
<b>A Shares</b>	MERFX	WCERX	WCFRX
<b>I Shares</b>	MERIX	WCEIX	WCFIX
	589509108	95737C509	95737C707
	589509207	95737C608	95737C806
<b>STRATEGY</b>	Invests in publicly announced mergers, acquisitions, takeovers, and other corporate reorganizations globally.	Focus on catalyst-specific events, such as spin-offs, recapitalizations, mergers, acquisitions, bankruptcies, share buy-backs, and other special situations.	Opportunistic fixed income fund investing in catalyst-driven credit events, distressed and bankruptcy opportunities, and similar thematic investments.
<b>GOAL</b>	Consistent, positive absolute returns with lower volatility vs. traditional stocks	Consistent, positive absolute returns with lower volatility vs. traditional stocks	Consistent, positive absolute returns with low duration and credit risk
<b>RETURN PROFILE<sup>1</sup></b>	Low to mid-single digits, net of T-bills	Mid-single digits, net of T-bills	Mid-/high-single digits, net >T-bills
<b>STANDARD DEVIATION<sup>1</sup></b>	2.5% to 4.5%	4% to 8%	10% to 14%
<b>CORRELATION TO EQUITIES/FIXED INCOME<sup>1,2</sup></b>	Low/Negative-to-low	Low/Low	Low/Low
<b>BETA VS. EQUITIES/FIXED INCOME<sup>1,2</sup></b>	Less than 0.20/Negative	Less than 0.30/Negative	Low/Less than 0.15
<b>PORTFOLIO APPLICATIONS</b>	<ul style="list-style-type: none"> <li>■ Cash enhancement</li> <li>■ Fixed income diversifier</li> <li>■ Alternative diversifier</li> <li>■ Absolute return</li> </ul>	<ul style="list-style-type: none"> <li>■ Equity diversifier</li> <li>■ Fixed income enhancement</li> <li>■ Alternative diversifier</li> </ul>	<ul style="list-style-type: none"> <li>■ Fixed income alternative</li> <li>■ Fixed income diversifier</li> </ul>
<b>VEHICLES</b>	<ul style="list-style-type: none"> <li>■ Mutual fund (MERFX/MERIX)</li> <li>■ VIF (MERVX)</li> <li>■ Hedge fund</li> <li>■ Subadvised fund</li> </ul>	<ul style="list-style-type: none"> <li>■ Mutual fund (WCERX/WCEIX)</li> <li>■ Subadvised fund</li> </ul>	<ul style="list-style-type: none"> <li>■ Mutual Fund (WCFRX/WCFIX)</li> </ul>
<b>INCEPTION</b>	<p>1980 Hedge fund</p> <p>1989 Mutual fund (first mutual fund devoted exclusively to merger arbitrage)</p>	<p>2009 Subadvised fund</p> <p>2014 Mutual fund</p>	<p>2009 Event-driven sleeve</p> <p>2017 Mutual fund</p>

## ABOUT WESTCHESTER CAPITAL MANAGEMENT

Westchester, an affiliated manager of Virtus Investment Partners, specializes in liquid alternative investment strategies, offering investors deep expertise in publicly announced event opportunities. With a proven track record dating to 1989, the firm has evaluated more than 10,000 transactions and invested in over 4,500 mergers, acquisitions, and corporate reorganizations, over 98% of which have been completed.

<sup>1</sup>Based on historical performance trends. No assurance can be given that the historical return and risk profiles will be achieved. Past performance is not indicative of future results.

<sup>2</sup>Equities measured by X Index. Fixed income measured by X index.

**Virtus** (NASDAQ: VRTS) is a distinctive partnership of boutique investment managers, singularly committed to the long-term success of individual and institutional investors.

- We are not constrained by a single investment approach; rather, we provide access to independent, specialized investment philosophies through our multi-discipline, multi-strategy approach.
- We have the flexibility, agility, and responsiveness of a boutique asset management firm with similar product breadth and investment talent of our larger peers.
- We are committed to thoughtfully providing investment solutions, adhering to the highest standards of product quality, operational excellence, and fiduciary responsibility.

#### **IMPORTANT RISK CONSIDERATIONS**

**The Merger® Fund:** 3, 8, 12, 4, 9, 1, 2, 5, 13, 11, 7, 10; **Virtus Westchester Event-Driven Fund:** 3, 8, 4, 12, 9, 1, 2, 5, 7, 10; **Virtus Westchester Credit Event Fund:** 3, 8, 1, 12, 9, 2, 5, 6, 4, 7, 10.

<sup>1</sup>**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. <sup>2</sup>**Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment. <sup>3</sup>**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. <sup>4</sup>**Foreign Investing:** 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. <sup>5</sup>**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. <sup>6</sup>**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. <sup>7</sup>**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. <sup>8</sup>**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. <sup>9</sup>**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. <sup>10</sup>**Prospectus:** For additional information on risks, please see the fund's prospectus. <sup>11</sup>**Sector Focused Investing:** Events negatively affecting a particular industry or market sector in which the portfolio focuses its investments may cause the value of the portfolio to decrease. <sup>12</sup>**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. <sup>13</sup>**Technology Concentration:** Because the portfolio is presently heavily weighted in the technology sector, it will be impacted by that sector's performance more than a portfolio with broader sector diversification.

**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](http://virtus.com) for a prospectus or summary prospectus. Read it carefully before investing.**

**Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.**

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