VIRTUS TOTAL RETURN FUND INC.

PROSPECTUS

16,500,000 SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF NON-TRANSFERABLE RIGHTS TO SUBSCRIBE FOR SUCH SHARES OF COMMON STOCK

Virtus Total Return Fund Inc. (the "Fund") is issuing non-transferable rights ("Rights") to its shareholders of record as of the close of business on August 9, 2022 (the "Record Date") entitling the holders of these Rights to subscribe (the "Offer") for up to an aggregate of 16,500,000 shares of common stock, par value $0.001 per share (the "Common Stock"). Shareholders of record will receive one Right for each outstanding Fund share owned on the Record Date. The Rights entitle the holders to purchase one share of Common Stock for every three Rights held, and shareholders of record who fully exercise their Rights will be entitled to subscribe for additional shares of Common Stock pursuant to an over-subscription privilege described in this Prospectus. Pursuant to the over-subscription privilege, the Fund may increase the number of shares of Common Stock subject to subscription by up to 25% of the shares, or up to an additional 4,125,000 shares of Common Stock, for an aggregate total of 20,625,000 shares. Fractional shares will not be issued upon the exercise of Rights. The Rights are non-transferable and, therefore, may not be purchased or sold. The Rights will not be admitted for trading on the New York Stock Exchange ("NYSE") or any other exchange. See "The Offer." THE SUBSCRIPTION PRICE PER SHARE (THE "SUBSCRIPTION PRICE") WILL BE EQUAL TO 95% OF THE LOWER OF THE NET ASSET VALUE PER SHARE OF THE FUND'S COMMON STOCK ("NAV") AT THE CLOSE OF BUSINESS ON SEPTEMBER 16, 2022 (THE "PRICING DATE") OR THE AVERAGE OF THE LAST REPORTED SALES PRICE OF A SHARE OF THE FUND'S COMMON STOCK ON THE NYSE ON THE PRICING DATE AND THE FOUR PRECEDING BUSINESS DAYS.

THE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 16, 2022 UNLESS EXTENDED AS DESCRIBED HEREIN (THE "EXPIRATION DATE").

The Fund announced the Offer on March 2, 2022. The Fund's Common Stock trades on the NYSE under the symbol "ZTR." Shares issued upon the exercise of Rights and the over-subscription privilege will be listed for trading on the NYSE, subject to notice of issuance. The net asset value per share of the Fund's Common Stock at the close of business on March 2, 2022 and August 9, 2022, the Record Date, was $8.86 and $8.51, respectively, and the last reported sales price of a share of the Fund's Common Stock on the NYSE on those dates was $9.33 and $8.10, respectively.

The Fund is a diversified, closed-end management investment company. Its investment objective is capital appreciation, with current income a secondary objective. The Fund has a current target allocation of investing approximately 60% of its total assets in equity securities and 40% in fixed income. The equity portion of the Fund invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries. The fixed income portion of the Fund is designed to generate high current income and total return through the application of active sector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across undervalued areas of the fixed income markets. The Fund anticipates that the net proceeds of the Offer will be allocated wholly to the infrastructure sleeve and as a result the allocation to the equity portion will increase.

The Fund's investment adviser, Virtus Investment Advisers, Inc. ("VIA" or the "Investment Adviser"), is an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), a NASDAQ listed company. The Investment Adviser has provided investment advisory services to the Fund since August 2016. Duff & Phelps Investment Management Co. ("DPIM"), an indirect, wholly-owned subsidiary of Virtus, is the subadviser of the equity portion of the Fund's portfolio; and Virtus Fixed Income Advisers, LLC ("VFIA"), an affiliate of VIA and also an indirect, wholly-owned subsidiary of Virtus, operating through its division Newfleet Asset Management ("Newfleet" and together with DPIM, the "Subadvisers"), is the subadviser of the fixed income portion of the Fund's portfolio. While the Subadvisers seek to reduce the risks associated with investing in debt and equity securities, such risks cannot be eliminated. See "Investment Objective and Policies." No assurance can be given that the Fund's investment objectives will be realized. The Fund's administrator is Virtus Fund Services, LLC (the "Administrator"). The Fund's Investment Adviser, Subadvisers and Administrator will benefit from the Offer. See "Management of the Fund."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INVESTING IN THE FUND'S COMMON SHARES INVOLVES RISKS. SEE "RISK FACTORS AND SPECIAL CONSIDERATIONS" FOR FACTORS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE COMMON SHARES OF THE FUND.

	Estimated Price to Public[(1)]	Sales Load	Estimated Proceeds to Registrant[(2)(3)]
Per Share	$ 8.08	N/A	$ 8.08
Total Maximum[(4)]	$133,320,000	N/A	$133,320,000

The date of this Prospectus is August 11, 2022.

Upon the completion of the Offer, shareholders of record who do not fully exercise their Rights will own a smaller proportional interest in the Fund than they owned prior to the Offer. In addition, because the Subscription Price will be less than the net asset value per share as of the Pricing Date, the Offer will result in an immediate dilution of the net asset value per share for all shareholders. Although it is not possible to state precisely the amount of such decrease in net asset value per share because it is not known how many shares will be subscribed for, what the net asset value or market price of the Common Stock will be on the Pricing Date or what the Subscription Price will be, such dilution could be minimal or substantial. Any such dilution will disproportionately affect non-exercising shareholders. See “The Offer” and “Risk Factors and Special Considerations.” Except as described in this Prospectus, shareholders of record will have no right to rescind their subscriptions after receipt of their payment for shares by the Subscription Agent.

This Prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing. Investors are advised to read this Prospectus and retain it for future reference. A Statement of Additional Information, dated August 11, 2022 (the “SAI”), containing additional information about the Fund, has been filed with the Securities and Exchange Commission (the “Commission”) and is incorporated by reference in its entirety into this Prospectus. The Table of Contents of the SAI appears on page 53 of this Prospectus.

Shareholders may obtain a copy, free of charge, of the SAI and the Fund’s annual and semi-annual report to shareholders, or request other information about the Fund, from, and should direct all questions and inquiries relating to the Offer to, the Fund’s Information Agent, Georgeson LLC. Banks and Brokers and all other shareholders should call 866-431-2108. The Fund makes available, free of charge, the SAI and the Fund’s annual and semi-annual report to shareholders at http://www.virtus.com/ZTR. The address of the Fund is 101 Munson Street, Greenfield, MA 01301-9683 and its telephone number is (866) 270-7788. The Commission maintains a website (http://www.sec.gov) that contains the SAI and other information regarding the Fund.

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(1) Estimated, equal to 95% of the lower of the NAV at the close of business on August 9, 2022 or the average of the last reported sales price of a share of the Fund’s Common Stock on the NYSE on August 9, 2022 and the four preceding business days.

(2) Before deduction of offering expenses incurred by the Fund, estimated at approximately $725,000.

(3) The funds received by check prior to the final due date of this Offer will be deposited into a segregated interest-bearing account pending proration and distribution of the shares.

(4) Assumes all 16,500,000 shares are purchased at the estimated Subscription Price. Pursuant to the over-subscription privilege, the Fund may, at the discretion of the Board of Directors, increase the number of shares subject to subscription by up to 25% of the shares offered hereby. If the Fund increases the number of shares subject to subscription by 25%, the Total Maximum Estimated Subscription Price and Estimated Proceeds to the Fund will be $166,650,000 and $166,650,000, respectively. The offering expenses in connection with this offering will be charged against paid-in capital of the Fund.

Certain numbers in this Prospectus have been rounded for ease of presentation and, as a result, may not total precisely. All dollar figures are rounded to the nearest dollar and all percentages are rounded to the nearest hundredth of one percent.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information included elsewhere in this Prospectus. The information in this Prospectus assumes the Offer is fully subscribed, unless otherwise indicated that it assumes oversubscription.

The Fund

Virtus Total Return Fund Inc. (the "Fund") is a diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund commenced operations in September 1988. The Fund's investment objective is capital appreciation, with current income as a secondary objective. The Fund has a current target allocation of investing approximately 60% of its total assets in equity securities and 40% in fixed income. The equity portion of the Fund invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries, including in emerging markets. The fixed income portion of the Fund is designed to generate high current income and total return through the application of active sector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across undervalued areas of the fixed income markets. The Fund maintains credit agreements with banks through which it may borrow money to leverage shareholders' investment.

VIA is an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), a NASDAQ listed company. VIA has provided investment advisory services to the Fund since 2016. DPIM, also an indirect, wholly-owned subsidiary of Virtus, is the subadviser of the equity portion of the Fund's portfolio; and VFIA, also an indirect, wholly-owned subsidiary of Virtus, operating through its division Newfleet, is the subadviser of the fixed income portion of the Fund's portfolio. While the Subadvisers seek to reduce the risks associated with investing in debt and equity securities, the risk of investment in debt and equity securities cannot be eliminated. See "Investment Objective and Policies." No assurance can be given that the Fund's investment objective will be realized.

The Fund's outstanding common stock, par value $0.001 per share (the "Common Stock"), is listed and traded on the NYSE. The average weekly trading volume of the Common Stock on the NYSE during the year ended December 31, 2021 was 719,725 shares and was 575,919 shares for the period from January 3, 2022 through August 9, 2022. As of December 31, 2021, the net assets of the Fund were $451,276,809.

Virtus Fund Services, LLC (the "Administrator") serves as the Fund's administrator and receives from the Fund an administrative fee computed at the annual rate of 0.10% of the Fund's average daily Managed Assets. The Fund pays the Investment Adviser a monthly investment advisory fee computed at the annual rate of 0.70% of the Fund's average daily Managed Assets, which is calculated daily and paid monthly. "Managed Assets" is defined as the value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (other than the aggregate amount of any outstanding borrowings or other indebtedness, entered into for the purpose of leverage). See "Management of the Fund."

Principal Investment Strategies

Subject to the supervision of VIA, DPIM manages the equity portion, and Newfleet manages the fixed income portion of the Fund's assets. VIA monitors the allocation to the Subadvisers on an ongoing basis, and may rebalance the Fund's assets periodically in its discretion.

The infrastructure companies in which DPIM may typically invest are issuers involved to a significant extent in providing energy, utility, transportation, communication and other essential services to society. The Fund may invest in issuers of any capitalization. These essential services include (i) the generation, transmission, distribution or storage of electricity, oil, gas or water, (ii) the provision of telecommunications services, including telephone, cable television, satellite, and other communications activities; and (iii) the construction, operation, or ownership of airports, toll roads, railroads, ports, pipelines, or educational and healthcare facilities. A company will be deemed an infrastructure company if at least 50% of its assets, gross income or profits are committed to, or derived from, one or more of these activities. Infrastructure owners/operators offer revenues with low variability; stable and predictable cash flows; an ability to distribute relatively high dividends; and many have inflation-linked revenues via long-term lease contracts. Infrastructure owners/operators exhibit attractive risk/return characteristics, offer moderate-to-high income and moderate growth; and are defensive in nature.

Newfleet's objective to generate high current income and total return is accomplished by applying extensive credit research and a time-tested approach to capitalize on opportunities across sectors of the bond market that it believes are undervalued. The fund may invest in senior floating rate loans, including both secured loans and "covenant lite" loans which have few or no financial maintenance covenants that would require a borrower to maintain certain financial metrics. Newfleet seeks diversification in the fixed income portion of the Fund among the Utilities and Industrials sectors in a manner that Newfleet believes may potentially increase return while simultaneously managing risk. The fixed income portion of the Fund may be invested without limitation in below investment grade securities, also known as junk bonds, and pass-through securities, including those issued or guaranteed as to principal and interest by the U.S. Government, its agencies, authorities or instrumentalities. The Fund also may invest in mortgage-related and asset-backed securities of various types. A team of investment professionals provides significant research depth across different bond market sectors. Under normal circumstances, the Fund's average duration is maintained at a level similar to the Bloomberg U.S. Aggregate Bond Index. The Fund manages duration utilizing a duration neutral strategy, but generally remains within a range of +/- 3 years. As of May 31, 2022, the effective duration of the Bloomberg U.S. Aggregate Bond Index was 6.51 years; the effective duration of the Fund was 3.60 years.

Terms of the Offer

The Fund is issuing to its shareholders of record ("Record Date Shareholders") as of the close of business on August 9, 2022 (the "Record Date") non-transferable rights (the "Rights") to subscribe for up to an aggregate of 16,500,000 shares of Common Stock (the "Shares") of the Fund. The Fund may increase the number of shares of Common Stock subject to subscription by up to 25% of the Shares, or up to an additional 4,125,000 Shares of Common Stock, for an aggregate total of 20,625,000 Shares. Each Record Date Shareholder is being issued one Right for each whole share of Common Stock owned on the Record Date. The Rights entitle the holders thereof to subscribe for one Share for every three Rights held (the "Offer"). Fractional Shares will not be issued upon the exercise of Rights. If a Record Date Shareholder's total ownership is fewer than three shares, such shareholder may subscribe for one Share.

Rights may be exercised at any time during the Subscription Period, which commences on August 10, 2022 and ends at 5:00 p.m., New York City time, on September 16, 2022, unless extended by the Fund until 5:00 p.m., New York City time, to a date not later than October 16, 2022 (such date, as it may be extended, is referred to in this Prospectus as the "Expiration Date"). Brokers, banks and trust companies may apply an earlier cutoff time, so shareholders that hold their shares through such agents should contact their agents about the applicable end of the offering period.A Record Date Shareholder's right to acquire during the Subscription Period at the Subscription Price (as described below) one additional Share for every three Rights held is hereinafter referred to as the "Primary Subscription." The Rights are evidenced by subscription certificates (the "Subscription Certificates"), which will be mailed to Record Date Shareholders, except as discussed in "The Offer — Foreign Restrictions."

The subscription price per Share (the "Subscription Price") will be equal to 95% of the lower of the net asset value per share of the Fund's Common Stock ("NAV") at the close of business on September 16, 2022 (the "Pricing Date") or the average of the last reported sales price of a share of the Fund's Common Stock on the NYSE on the Pricing Date and the four preceding business days, unless the Offer is extended. Since the Expiration Date and the Pricing Date are each September 16, 2022, Record Date Shareholders who choose to exercise their Rights will not know at the time of exercise the Subscription Price for Shares acquired pursuant to such exercise. Record Date Shareholders will have no right to rescind a purchase after receipt of their payment for Shares by the Fund's subscription agent, Computershare Trust Company, N.A. ("Computershare" or the "Subscription Agent"). There is no minimum number of Rights that must be exercised in order for the Offer to close.

Pursuant to the over-subscription privilege (the "Over-Subscription Privilege"), any Record Date Shareholder who fully exercises all Rights issued to such shareholder in the Primary Subscription (other than those Rights that cannot be exercised because they represent the right to acquire less than one Share) will be entitled to subscribe for additional Shares at the Subscription Price. Shares available, if any, pursuant to the Over-Subscription Privilege are subject to allotment and may be subject to increase, as is more fully discussed under "The Offer — Over-Subscription Privilege." For purposes of determining the maximum number of Shares a Record Date Shareholder may acquire pursuant to the Offer, Record Date Shareholders whose shares of Common Stock are held of record by a depository or nominee will be deemed to be the holders of the Rights that are issued to such depository or nominee on their behalf.

The Rights are non-transferable. Therefore, only the underlying Shares will be listed for trading on the NYSE or any other exchange.

Purpose of the Offer

The Board of Directors of the Fund has determined that it would be in the best interests of the Fund and its shareholders to increase the assets of the Fund available for investment, thereby enabling the Fund to more fully take advantage of investment opportunities consistent with the Fund's investment objective. The Fund's Board of Directors has voted unanimously to approve the terms of the Offer as set forth in this Prospectus.

In reaching its decision, the Board of Directors considered, among other things, advice by the Investment Adviser that new funds would allow the Fund additional flexibility to capitalize on available and potential investment opportunities without the necessity of having to sell existing portfolio securities that the Subadvisers believe should be held. Proceeds from the Offer will allow the Subadvisers to better take advantage of such existing and future investment opportunities.

The Board of Directors also considered that the Offer would provide shareholders with an opportunity to purchase additional shares of the Fund below its net asset value and market price. Although the Board of Directors believes that a well-subscribed rights offering may result in certain economies of scale which could reduce the Fund's expense ratio in future years, there is no assurance that by increasing the size of the Fund, the Fund's aggregate expenses, and correspondingly, its expense ratio, will be lowered. Finally, the Board of Directors considered that, because the Subscription Price per Share will be less than the net asset value per share on the Pricing Date, the Offer will result in dilution of the Fund's net asset value per share. The Board of Directors believes that the factors in favor of the Offer outweigh this dilution. See "Risk Factors and Special Considerations — Dilution — Net Asset Value and Non-Participation in the Offer."

The Investment Adviser, Subadvisers and Administrator will benefit from the Offer because their fees are based on the Managed Assets of the Fund. It is not possible to state precisely the amount of additional compensation the Investment Adviser, Subadvisers or Administrator will receive as a result of the Offer because it is not known how many Shares will be subscribed for and because the proceeds of the Offer will be invested in additional portfolio securities, which will fluctuate in value. See "Management of the Fund."

The information agent (the "Information Agent") for the Offer is:

Georgeson LLC

Call Toll-Free:
866-431-2108

Shareholders may also contact their brokers or nominees for information with respect to the Offer.

Important Dates to Remember

Event	Date
Record Date	August 9, 2022
Subscription Period	August 10, 2022 to September 16, 2022*
Expiration Date and Pricing Date	September 16, 2022 *
Subscription Certificates and Payment for Shares Due+	September 16, 2022 *
Confirmation to Participants	September 23, 2022 *
Final Payment for Shares	October 13, 2022 *

* Unless the Offer is extended to a date not later than October 16, 2022.

\+ Record Date Shareholders exercising Rights must deliver to the Subscription Agent by the Expiration Date the Subscription Certificate together with payment.

Principal Risk Factors and Special Considerations

The following summarizes certain matters that should be considered, among others, in connection with the Offer. This Prospectus contains certain forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements as a result of certain uncertainties set forth below and elsewhere in this Prospectus.

Dilution — Net Asset Value and Non-Participation in the Offer

Record Date Shareholders who do not fully exercise their Rights will, upon the completion of the Offer, own a smaller proportional interest in the Fund than they owned prior to the Offer. In addition, an immediate dilution of the net asset value per share will be experienced by all shareholders as a result of the Offer because the Subscription Price per Share will be less than the then current net asset value per share, and the number of shares outstanding after the Offer will increase in greater percentage than the increase in the size of the Fund's assets. Although it is not possible to state precisely the amount of such decrease in net asset value per share because it is not known at this time what the Subscription Price will be, what the net asset value per share will be on the Expiration Date, or what proportion of the Shares will be subscribed for, such dilution could be minimal or substantial. For example, assuming (i) all Rights are exercised, (ii) the Fund's net asset value on the Expiration Date is $8.51 share (the net asset value per share on August 9, 2022), and (iii) the Subscription Price is $8.08 per share (equal to 95% of the lower of the NAV per share of the Fund's Common Stock at the close of business on August 9, 2022 or the average of the last reported sale price per share of the Fund's Common Stock on the NYSE on August 9, 2022 and the four preceding business days), then the Fund's net asset value per share (after deduction of offering expenses) would be reduced by approximately $0.14 per share or 1.62%.

Principal Investment Strategies

The equity portion of the Fund invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries.

The fixed income portion of the Fund is designed to generate high current income and total return through the application of active sector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across undervalued areas of the fixed income markets.

The Fund has a current target allocation of investing approximately 60% of its total assets in equity securities and 40% in fixed income. VIA monitors the allocation to the Subadvisers on an ongoing basis, and may rebalance the Fund's assets periodically in its discretion. See "Investment Objective and Policies — Investment Objective."

Equity Securities Risk

Generally, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors. In particular, equity securities will respond to events that affect entire financial markets or industries (such as changes in inflation or consumer demand) and to events that affect particular issuers (such as news about the success or failure of a new product). Equity securities also are subject to "stock market risk," meaning that stock prices in general may decline over short or extended periods of time. When the value of the stocks held by the Fund goes down, the net asset value of the Fund's shares will be affected.

Infrastructure-Related Investment Risk	Infrastructure-related entities are subject to a variety of factors that may adversely affect their businesses or operations, including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards.
Industrials Sector Risk	Industries in the industrials sector include companies engaged in the production, distribution or service of products or equipment for manufacturing, agriculture, forestry, mining, and construction. Prices for investments in the types of companies included in the industrial sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world events and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities will likewise affect the performance of these companies. Transportation investments, a component of the industrials sector, are cyclical and have occasional sharp price movements which may result from changes in the economy, fuel prices, labor agreement and insurance costs.
Utilities Sector Risk	Public utility companies are subject to intrinsic risks, including difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs during an inflationary period, restrictions on operations and increased costs and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, increased costs and reduced availability of certain types of fuel, occasional reduced availability and high costs of natural gas and other fuels, the effects of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of nuclear facilities for electric generation, including, among other considerations, the problems associated with the use of radioactive materials, the disposal of radioactive wastes, shutdown of facilities or release of radiation resulting from catastrophic events, disallowance of costs by regulators which may reduce profitability, and changes in market structure that increase competition. There are substantial differences among the regulatory practices and policies of various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time.

Foreign Investing Risk	Investing in securities of non-U.S. companies involves special risks and considerations not typically associated with investing in U.S. companies, and the values of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions where the issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies, and to changes in currency exchange rates. Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country. In general, less information is publicly available about non-U.S. companies than about U.S. companies. Non-U.S. companies are generally not subject to the same accounting, auditing and financial reporting standards as are U.S. companies. Certain foreign issuers classified as passive foreign investment companies may be subject to additional taxation risk.
Emerging Market Risk	The risks of foreign investments are generally greater in countries whose markets are still developing than they are in more developed markets. Emerging market countries typically have economic and political systems that are less fully developed, and can be expected to be less stable than those of more developed countries. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation. Since these markets are often small, they may be more likely to suffer sharp and frequent price changes or long-term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. They may also have policies that restrict investment by foreigners, or that prevent foreign investors from withdrawing their money at will. Certain emerging markets may also face other significant internal or external risks, including the risk of war and civil unrest. For all of these reasons, investments in emerging markets may be considered speculative. To the extent that a fund invests a significant portion of its assets in a particular emerging market, the fund will be more vulnerable to financial, economic, political and other developments in that country, and conditions that negatively impact that country will have a greater impact on the fund as compared with a fund that does not have its holdings concentrated in a particular country.
Bank Loan Risk	Investing in loans (including floating rate loans, loan assignments, loan participations and other loan instruments) carries certain risks in addition to the risks typically associated with high-yield/high-risk fixed income securities. Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and sometimes trade infrequently on the secondary market. In the event a borrower defaults, the Fund’s access to the collateral may be limited or delayed by bankruptcy or other insolvency laws. There is a risk that the value of the collateral securing the loan may decline after the Fund invests and that the collateral may not be sufficient to cover the amount owed to the Fund. If the loan is unsecured, there is no specific collateral on which the Fund can foreclose. In addition, if a secured loan is foreclosed, the Fund may bear the costs and liabilities associated with owning and disposing of the collateral, including the risk that collateral may be difficult to sell.

Transactions in many loans settle on a delayed basis that may take more than seven days. As a result, sale proceeds related to the sale of loans may not be available until potentially a substantial period of time after the sale of the loans. No active trading market may exist for some loans, which may impact the ability of the Fund to realize full value in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded loans. Loans also may be subject to restrictions on resale, which can delay the sale and adversely impact the sale price. Difficulty in selling a loan can result in a loss. Loans made to finance highly leveraged corporate acquisitions may be especially vulnerable to adverse changes in economic or market conditions. Certain loans may not be considered "securities," and purchasers, such as the Fund, therefore may not be entitled to rely on the strong anti-fraud protections of the federal securities laws. With loan participations, the Fund may not be able to control the exercise of any remedies that the lender would have under the loan and likely would not have any rights against the borrower directly, so that delays and expense may be greater than those that would be involved if the Fund could enforce its rights directly against the borrower.

Covenant Lite Loan Risk	Because covenant lite loans contain few or no financial maintenance covenants, they may not include terms that permit the lender of the loan to monitor the borrower's financial performance and, if certain criteria are breached, declare a default, which would allow the lender to restructure the loan or take other action intended to help mitigate losses. As a result, the fund could experience relatively greater difficulty or delays in enforcing its rights on its holdings of covenant lite loans than its holdings of loans or securities with financial maintenance covenants, which may result in losses, especially during a downturn in the credit cycle.
Credit Risk	There is a risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of the security to decline. Debt instruments rated below investment-grade are especially susceptible to this risk.
Interest Rate Risk	The values of debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. Changes in a debt instrument's value usually will not affect the amount of interest income paid to the Fund, but will affect the value of the Fund's shares. Interest rate risk is generally greater for investments with longer maturities. Certain instruments pay interest at variable or floating rates. Variable rate instruments reset at specified intervals, while floating rate instruments reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the effect of changes in market interest rates on the value of the instrument. However, some instruments do not track the underlying index directly, but reset based on formulas that can produce an effect similar to leveraging; others may also provide for interest payments that vary inversely with market rates. The market prices of these instruments may fluctuate significantly when interest rates change.

Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, the Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore it might not benefit from any increase in value as a result of declining interest rates.

High Yield Fixed Income Securities Risk . . . .

Securities rated below the four highest rating categories of a nationally recognized statistical rating organization, may be known as "high-yield" securities and commonly referred to as "junk bonds." The highest of the ratings among these nationally recognized statistical rating organizations is used to determine the security's classification. Such securities entail greater price volatility and credit and interest rate risk than investment-grade securities. Analysis of the creditworthiness of high-yield/high-risk issuers is more complex than for higher-rated securities, making it more difficult for the Fund's subadviser to accurately predict risk. There is a greater risk with high-yield/high-risk fixed income securities that an issuer will not be able to make principal and interest payments when due. If the Fund pursues missed payments, there is a risk that the Fund's expenses could increase. In addition, lower-rated securities may not trade as often and may be less liquid than higher-rated securities, especially during periods of economic uncertainty or change. As a result of all of these factors, these bonds are generally considered to be speculative.

Asset-Backed and Mortgage-Backed Securities Risk . . . . .

Mortgage-backed securities represent interests in pools of residential mortgage loans purchased from individual lenders by a federal agency or originated and issued by private lenders. Asset-backed securities represent interests in pools of underlying assets such as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card arrangements. These two types of securities share many of the same risks.

The impairment of the value of collateral or other assets underlying a mortgage-backed or asset-backed security, such as that resulting from non-payment of loans, may result in a reduction in the value of such security and losses to the Fund. Early payoffs in the loans underlying such securities may result in the Fund receiving less income than originally anticipated. The variability in prepayments will tend to limit price gains when interest rates drop and exaggerate price declines when interest rates rise. In the event of high prepayments, the Fund may be required to invest proceeds at lower interest rates, causing the Fund to earn less than if the prepayments had not occurred. Conversely, rising interest rates may cause prepayments to occur at a slower than expected rate, which may effectively change a security that was considered short- or intermediate-term into a long-term security. Long-term securities tend to fluctuate in value more widely in response to changes in interest rates than shorter-term securities.

Leverage Risk . . . .

The Fund employs leverage through margin financing under various credit agreements. While this leverage often serves to increase yield, it also subjects the Fund to increased risks. These risks may include the likelihood of increased price and NAV volatility and the possibility

	that the Fund's common stock income will fall if the interest rate on any borrowings rises. The use of leverage is premised upon the expectation that the cost of leverage will be lower than the return on the investments made with the proceeds. However, if the income or capital appreciation from the securities purchased with such proceeds is not sufficient to cover the cost of leverage or if the Fund incurs capital losses, the return to common stockholders will be less than if the leverage had not been used. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed.
Market Volatility	The value of the securities in which the Fund invests may go up or down in response to the prospects of individual issuers and/or general economic conditions. Such price changes may be temporary or may last for extended periods. Instability in the financial markets may expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments that it holds. In response to financial markets that experienced extreme volatility, and in some cases a lack of liquidity, the U.S Government and other governments have taken a number of unprecedented actions, including acquiring distressed assets from financial institutions and acquiring ownership interest in those institutions. The implications of government ownership and disposition of these assets are unclear. Additional legislation or governmental regulation may also change the way in which funds themselves are regulated, which could limit or preclude the Fund's ability to achieve its investment objective. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, high inflation, or other events could have a significant impact on the Fund and its investments, hampering the ability of the Fund's portfolio managers to invest the Fund's assets as intended.
Closed-End Fund Risk	As a closed-end fund, the Fund's shares may trade at a discount or premium from their net asset values, which may affect whether an investor will realize gains or losses. The Fund may also employ leverage, which may increase volatility.
Management Risk	The Fund is subject to management risk because it is an actively managed investment portfolio with broad investment mandates. The Adviser and subadvisers will apply investment techniques and risk analysis in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.
Managed Distribution Plan	The Board of Directors has adopted a Managed Distribution Plan (the "Plan") which currently provides for the Fund to make a monthly distribution at the rate of $0.08 per share. Under the terms of the Plan, the Fund seeks to maintain a consistent distribution level that may be paid in part or in full from net investment income, realized capital gains, and a return of capital, or a combination thereof. The Board may amend, suspend or terminate the Plan at any time, without prior notice to shareholders, if it deems such action to be in the best interests of the Fund and its shareholders.

FUND EXPENSES

Shareholder Transaction Expenses	
Sales Load	N/A
Automatic Reinvestment and Cash Purchase Plan Fees	N/A
Annual Expenses (as a percentage of the Fund's net assets)	
Investment Management Fees(1)	0.96%
Administration Fees(1)	0.14%
Interest and Fees on Leverage(3)	0.34%
Other Expenses	0.16%
Total Annual Expenses(2)	1.60%

(1) Includes fees payable under the Investment Advisory Agreement and Administration Agreement (as defined in this Prospectus). These fees are calculated on the basis of the Fund's average daily Managed Assets. "Managed Assets" is defined as the value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (other than the aggregate amount of any outstanding borrowings or other indebtedness, entered into for the purpose of leverage). The Investment Adviser is responsible for the payment of subadvisory fees to the Subadvisers.

(2) The expense ratio assumes that the Offer (including the Over-Subscription Privilege) is fully subscribed and assumes estimated net proceeds from the Offer of approximately $166 million (assuming an estimated Subscription Price of $8.08 per Share).

(3) As of May 31, 2022, the Fund held leverage of $159,750,000, or 28% of total assets.

THE FOREGOING FEE TABLE IS INTENDED TO ASSIST FUND INVESTORS IN UNDERSTANDING THE VARIOUS COSTS AND EXPENSES THAT AN INVESTOR IN THE FUND WILL BEAR DIRECTLY OR INDIRECTLY.

EXAMPLE

An investor would directly or indirectly pay the following expenses on a $1,000 investment in the Fund, assuming a 5% annual return throughout the periods:

1 Year	3 Years	5 Years	10 Years
$16	$51	$87	$190

This hypothetical example assumes that all dividends and other distributions are reinvested at net asset value and that the 1.60% expense ratio listed under Total Annual Expenses remains the same in the years shown. The above tables and the assumption in this example of a 5% annual return are required by regulations of the Securities and Exchange Commission (the "Commission") applicable to all investment companies; the assumed 5% annual return is not a prediction of, and does not represent, the projected or actual performance of the Fund's Shares. For a more complete description of certain of the Fund's costs and expenses, see "Management of the Fund — Investment Adviser and Subadviser; — Investment Advisory Agreement; and — Administrator" in this Prospectus and "Expenses" and "Portfolio Transactions and Brokerage" in the SAI.

This example should not be considered a representation of future expenses. The Fund's actual expenses may be greater or less than those shown.

FINANCIAL HIGHLIGHTS

The table below sets forth certain specified information for a share of the Fund's Common Stock outstanding throughout each period presented. This information is derived from the financial and accounting records of the Fund. The financial highlights for the fiscal year ended November 30, 2021 and the prior four years have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, whose reports thereon were unqualified. The financial statements and notes thereto, together with the report of the independent registered public accounting firm have been incorporated by reference in the SAI and are available without charge by calling Mutual Fund Services at 866-270-7788 or upon written request to the Fund's Administrator, Virtus Fund Services, LLC, One Financial Plaza, Hartford, CT 06103.

VIRTUS TOTAL RETURN FUND INC.
FINANCIAL HIGHLIGHTS
SELECTED PER SHARE DATA AND RATIOS FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

	Year Ended November 30,				
	2021	**2020**[(1)]	**2019**[(1)]	**2018**[(1)]	**2017**[(1)]
PER SHARE DATA:					
Net asset value, beginning of period	$ 9.31	$ 10.33	$ 11.01	$ 13.98	$ 12.25
Income (loss) from investment operations:					
Net investment income (loss)[(2)]	0.22	0.25	0.24	0.34	0.30
Net realized and unrealized gain (loss)	0.35	(0.11)	0.52	(1.81)	2.34
Payment from affiliate	—	—	—[(3)]	—	—
Total from investment operations	0.57	0.14	0.76	(1.47)	2.64
Dividends and Distributions to Shareholders:					
Net investment income	(0.24)	(0.27)	(0.31)	(0.31)	(0.36)
Net realized gains	—	—	—	(0.09)	(0.60)
Return of capital	(0.72)	(0.89)	(1.13)	(1.10)	—
Total dividends and distributions to shareholders	(0.96)	(1.16)	(1.44)	(1.50)	(0.96)
Fund Share Transactions					
Anti-dilutive impact of tender offers	—	—	—	—	0.05
Net asset value, end of period	$ 8.92	$ 9.31	$ 10.33	$ 11.01	$ 13.98
Market value, end of period[(4)]	$ 9.37	$ 8.41	$ 10.98	$ 9.64	$ 13.33
Total return, net asset value[(5)]	6.36%	3.25%	16.67%	(10.17)%	26.37%
Total return, market value[(5)]	23.68%	(12.25)%	41.67%	(17.51)%	27.06%
RATIOS/SUPPLEMENTAL DATA:					
Ratio of net expenses to average net assets[(6)]	1.73%	2.05%	2.99%[(7)]	2.61%	2.55%[(8)]
Ratio of total expenses after interest expense to average net assets	1.73%	2.05%	2.99%[(7)]	2.70%	2.62%[(8)]
Ratio of net investment income (loss) to average net assets	2.34%	2.73%	2.20%[(7)]	2.75%	2.86%[(8)]
Portfolio turnover rate	44%	46%	110%[(9)]	46%	61%
Net assets, end of period (000's)	$426,461	$441,552	$487,899	$227,954	$289,580
Borrowings, end of period (000's)	$159,750	$159,750	$184,750	$ 84,250	$105,000
Asset coverage, per $1,000 principal amount of borrowings[(10)]	$ 3,670	$ 3,764	$ 3,641	$ 3,706	$ 3,758

(1) On April 3, 2017, Virtus Total Return Fund (DCA) was reorganized into the former Virtus Total Return Fund Inc. (ZF). For periods prior to April 3, 2017, the activity in the table presented above was for the accounting survivor of that reorganization, DCA. In addition, on November 18, 2019, ZF was

reorganized into the Fund. For periods between April 3, 2017 and November 18, 2019, the activity in the table presented above is for ZF, and thereafter it is for the Fund. The net asset values and other per share information for periods prior to the April 3, 2017 reorganization were revised to reflect the share conversion ratio from that reorganization of 0.391206, and the net asset values and other per share information for periods between April 3, 2017 and November 18, 2019 have been revised to reflect the share conversion ratio from the later reorganization of 1.039518.

(2) Calculated using average shares outstanding.

(3) Amount is less than $0.005 per share.

(4) Closing Price — New York Stock Exchange.

(5) Total return on market value is calculated assuming a purchase of common shares on the opening of the first day and sale on the closing of the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's Automatic Reinvestment and Cash Purchase Plan. Total return on market value is not annualized for periods of less than one year. Brokerage commissions that a shareholder may pay are not reflected. Total return on market value does not reflect the deduction of taxes that a shareholder may pay on fund distributions or the sale of fund shares. Total return on net asset value uses the same methodology, but with use of net asset value for the beginning and ending values.

(6) Ratio of total expenses, before interest expense on the line of credit, was 1.34%, 1.38%, 1.79%, 1.63% and 1.92% for the years ended November 30, 2021, 2020, 2019, 2018 and 2017, respectively.

(7) The Fund incurred certain non-recurring merger costs in 2019. When excluding these costs, the ratio of total expenses after interest expense and before expense waivers to average net assets would be 2.83%, the ratio of net expenses to average net assets would be 2.83% and the ratio of net investment income (loss) to average net assets would be 2.36%.

(8) The Fund incurred certain non-recurring merger and tender offer costs in 2017. When excluding these costs, the ratio of total expenses after interest expense and before expense waivers and earnings credits to average net assets would be 2.41%, the ratio of net expenses to average net assets would be 2.34% and the ratio of net investment income (loss) to average net assets would be 3.07%.

(9) Portfolio turnover increased due to repositioning of the portfolio related to the reorganization on November 18, 2019.

(10) Represents value of net assets plus the borrowings at the end of the period divided by the borrowings at the end of the period multiplied by $1,000.

VIRTUS TOTAL RETURN FUND INC.
FINANCIAL HIGHLIGHTS

(Selected per share data and ratios for a share outstanding throughout each period)

	Year Ended November 30, 2017[8]	Year Ended November 30, 2016[8]	Fiscal Period Ended[7] November 30, 2015[8]	Year Ended December 31, 2014[8]
PER SHARE OPERATING DATA:				
Net Asset Value, Beginning of Period	$ 11.78	$ 11.76	$ 12.99	$ 12.37
Income from investment operations:				
Net Investment Income/(Loss)[1]	0.29	0.41	0.46	0.82
Net Realized and Unrealized Gain/(Loss)	2.25	0.63	(0.67)	0.72
Total from investment operations	2.54	1.04	(0.21)	1.54
Dividends and/or Distributions to Shareholders:				
Dividends from Net Investment Income	(0.34)	(1.02)	(1.02)	(0.92)
Distributions from net realized gains	(0.58)	—	—	—
Total Dividends and Distributions to Shareholders	(0.92)	(1.02)	(1.02)	(0.92)
Fund Share Transactions (Note 10)				
Anti-Dilutive impact of tender offers	0.05	—	—	—
Net Asset Value, End of Period	$ 13.45	$ 11.78	$ 11.76	$ 12.99
Market Price, End of Period[2]	$ 12.82	$ 11.17	$ 9.87	$ 11.55
Total Return, Net Asset Value[3]	26.37%[10]	10.09%	(0.92)%[5]	13.59%
Total Return, Market Value[3]	27.06%	24.37%	(6.56)%[5]	21.98%
Net Assets, End of Period (000's)	$289,580	$126,508	$126,454	$139,630
RATIOS/SUPPLEMENTAL DATA:				
Ratio of Total Expenses after interest expense and before expense waivers and earnings credits to Average Net Assets[4]	2.62%[9]	2.33%	1.97%[6]	1.93%
Ratio of Net Expenses to Average Net Assets[4]	2.55%[9]	2.33%	1.97%[6]	1.93%
Ratio of Net Investment Income/ (Loss) to Average Net Assets	2.86%[9]	3.44%	3.90%[6]	6.31%
Portfolio Turnover Rate	61%	60%	32%[5]	33%
Bank Borrowings:				
Loan Outstanding, End of Period (000's)	$105,000	$ 47,000	$ 43,500	$ 50,500
Asset Coverage for Loan Outstanding, End of Period	376%	369%	389%	377%

(1) Calculated based on average shares outstanding.

(2) Closing Price — New York Stock Exchange.

(3) Total Return on Market Value is calculated assuming a purchase of common shares of the opening of the first day and sale on the closing of the last day of each period reported. Dividends and distributions are assumed, for purposes of this calculation, to be reinvested at prices obtained under the Fund's Automatic Reinvestment and Cash Purchase Plan. Total Return on Market Value is not annualized for periods of less than one year. Brokerage commissions that a shareholder may pay are not reflected. Total Return on Market Value does not reflect the deduction of taxes that a shareholder may pay on fund distributions or the sale of fund shares. Total Return on NAV uses the same methodology, but with use of net asset value for beginning, ending and reinvestment values.

See Notes to Financial Statements

	Year Ended December 31		
	2013[8]	2012[8]	2011[8]
PER SHARE OPERATING DATA:			
Net Asset Value, Beginning of Period	$ 11.32	$ 10.38	$ 10.12
Income from investment operations:			
Net Investment Income/(Loss)[1]	0.51	0.48	0.46
Net Realized and Unrealized Gain/(Loss)	1.08	1.05	0.18
Total from investment operations	1.59	1.53	0.64
Dividends and/or Distributions to Shareholders:			
Dividends from Net Investment Income	(0.54)	(0.59)	(0.38)
Total Dividends and Distributions to Shareholders	(0.54)	(0.59)	(0.38)
Net Asset Value, End of Period	$ 12.37	$ 11.32	$ 10.38
Market Price, End of Period[2]	$ 10.25	$ 9.89	$ 8.95
Total Return, Net Asset Value[3]	15.02%	16.05%	6.73%
Total Return, Market Value[3]	9.08%	17.60%	5.61%
Net Assets, End of Period (000's)	$132,857	$121,681	$111,490
RATIOS/SUPPLEMENTAL DATA:			
Ratio of Total Expenses After Interest Expense to Average Net Assets[4]	2.01%	1.99%	1.38%
Ratio of Net Expenses to Average Net Assets[4]	2.01%	1.99%	1.38%
Ratio of Net Investment Income/(Loss) to Average Net Assets	4.42%	4.51%	4.42%
Portfolio Turnover Rate	42%	43%	138%
Bank Borrowings:			
Loan Outstanding, End of Period (000's)	$ 50,500	$ 42,500	N/A
Asset Coverage for Loan Outstanding, End of Period	360%	386%	N/A

(4) Ratio of total expenses, before interest expense on the line of credit, was 1.92% for the year ended November 30, 2017 and 1.87% for the year ended November 30, 2016, 1.61% for the fiscal period ended November 30, 2015, and 1.58%, 1.62% and 1.61%, for the periods ending December 31, 2014, 2013, and 2012, respectively.

(5) Not Annualized.

(6) Annualized.

(7) During the period the Fund changed its fiscal year end from December 31 to November 30.

(8) On April 3, 2017, Virtus Total Return Fund (DCA) was reorganized into the Fund (f/k/a The Zweig Fund, Inc.). The activity in the table presented above is for the accounting survivor, Virtus Total Return Fund (DCA), for the periods prior to the date of the reorganization and for the post-reorganization fund thereafter. The net asset values and other per share information have been restated for periods prior to the reorganization to reflect the share conversion ratio of 0.391206. See Note 13 Plan of Reorganization in the Notes to Financial Statements.

(9) The Fund incurred certain non-recurring merger and tender offer costs in 2017. When excluding these costs, the Ratio of Total Expenses after interest expense and before expense waivers and earnings credits to Average Net Assets would be 2.41%, the Ratio of Net Expenses to Average Net Assets would be 2.34% and the Ratio of Net Investment Income / (Loss) to Average Net Assets would be 3.07%.

(10) Total Return, Net Asset Value, for the report period presented in the Financial Highlights differs from the Message to Shareholders. The total return presented in the Message to Shareholders is calculated based on the NAV calculated on the first business day and last business day of the period reported. The total return presented within the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principles required in the annual report and semi-annual report.

See Notes to Financial Statements

THE OFFER

Terms of the Offer

The Fund is issuing to the Record Date Shareholders Rights to subscribe for up to an aggregate of 16,500,000 Shares. The Fund may increase the number of shares of Common Stock subject to subscription by up to 25% of the Shares, or up to an additional 4,125,000 Shares, for an aggregate total of 20,625,000 Shares. Each Record Date Shareholder is being issued one Right for each whole share of Common Stock owned on the Record Date. The Rights entitle the holders thereof to subscribe for one Share for every three Rights held (1 for 3). Fractional Shares will not be issued upon the exercise of Rights. A Record Date Shareholder whose total ownership is fewer than three shares of Common Stock and, accordingly, would otherwise receive fewer than three Rights will receive three Rights in order to be able to subscribe for one Share upon the exercise of all of such Rights received and, if he or she subscribes for one Share, may subscribe for additional Shares pursuant to the Over-Subscription Privilege. Record Date Shareholders who otherwise have remaining fewer than three Rights will not be able to purchase a Share upon the exercise of such Rights and will not be entitled to receive any cash in lieu thereof, although such Record Date Shareholders may subscribe for additional Shares pursuant to the Over-Subscription Privilege.

Rights may be exercised at any time during the Subscription Period, which commences on August 10, 2022 and ends at 5:00 p.m., New York City time, on September 16, 2022, unless extended by the Fund until 5:00 p.m., New York City time, to a date not later than October 16, 2022. See "Expiration of the Offer" below. The Rights are evidenced by Subscription Certificates, which will be mailed to Record Date Shareholders, except as discussed below under "Foreign Restrictions."

Any Record Date Shareholder who fully exercises all Rights issued to such shareholder in the Primary Subscription will be entitled to subscribe for additional Shares at the Subscription Price pursuant to the terms of the Over-Subscription Privilege, as described below. Shares available, if any, pursuant to the Over-Subscription Privilege are subject to allotment and may be subject to increase, as is more fully discussed below under "Over-Subscription Privilege." For purposes of determining the maximum number of Shares a shareholder may acquire pursuant to the Offer, Record Date Shareholders whose shares of Common Stock are held of record by a depository or nominee will be deemed to be the holders of the Rights that are issued to such depository or nominee on their behalf.

Purpose of the Offer

The Board of Directors of the Fund has determined that it would be in the best interests of the Fund and its shareholders to increase the assets of the Fund available for investment, thereby enabling the Fund to more fully take advantage of investment opportunities consistent with the Fund's investment objective. The Fund's Board of Directors has voted unanimously to approve the terms of the Offer as set forth in this Prospectus.

In reaching its decision, the Board of Directors considered, among other things, advice by the Investment Adviser and the Subadvisers that new funds would allow the Fund additional flexibility to capitalize on available and potential investment opportunities without the necessity of having to sell existing portfolio securities that a Subadviser believes should be held. Proceeds from the Offer will allow the Subadvisers to better take advantage of such existing and future investment opportunities.

The Board of Directors also considered that the Offer would provide shareholders with an opportunity to purchase additional shares of the Fund below its net asset value and market price. The Board of Directors also believes that a well-subscribed rights offering may result in certain economies of scale which could reduce the Fund's expense ratio in future years. However, there is no assurance that by increasing the size of the Fund, the Fund's aggregate expenses, and correspondingly, its expense ratio, will be lowered. Finally, the Board of Directors considered that, because the Subscription Price per Share will be less than the net asset value per share on the Pricing Date, the Offer will result in dilution of the Fund's net asset value per share. The Board of Directors believes that the factors in favor of the Offer outweigh this dilution. See "Risk Factors and Special Considerations — Dilution — Net Asset Value and Non-Participation in the Offer."

The Investment Adviser, Subadvisers and Administrator will benefit from the Offer because their fees are based on the average daily Managed Assets of the Fund. It is not possible to state precisely the amount of additional compensation the Investment Adviser, Subadvisers or Administrator will receive as a result of the Offer because it is not known how many Shares will be subscribed for and because the proceeds of the Offer will be invested in additional portfolio securities, which will fluctuate in value. See "Management of the Fund."

The Fund may, in the future and at its discretion, choose to make additional rights offerings from time to time for a number of shares and on terms that may or may not be similar to the Offer. Any such future rights offerings will be made in accordance with the then applicable requirements of the 1940 Act and the Securities Act of 1933, as amended.

Over-Subscription Privilege

To the extent Record Date Shareholders do not exercise all of the Rights issued to them, any underlying Shares represented by such Rights will be offered by means of the Over-Subscription Privilege to those Record Date Shareholders who have exercised all of the Rights issued to them and who wish to acquire more than the number of Shares to which they are entitled. Only Record Date Shareholders who exercise all the Rights issued to them may indicate on the Subscription Certificate, which they submit with respect to the exercise of the Rights issued to them, how many Shares they desire to purchase pursuant to the Over-Subscription Privilege. If sufficient Shares remain after completion of the Primary Subscription, all over-subscription requests will be honored in full. If sufficient Shares are not available to honor all over-subscription requests, the Fund may, at the discretion of the Board of Directors, issue shares of Common Stock up to an additional 25% of the Shares available pursuant to the Offer, representing 4,125,000 additional shares of Common Stock in order to cover such over-subscription requests. Regardless of whether the Fund issues additional Shares pursuant to the Offer and to the extent Shares are not available to honor all over-subscription requests, the available Shares will be allocated among those who over-subscribe based on the number of shares of Common Stock owned by them on the Record Date. This allocation process may involve a series of allocations in order to assure that the total number of Shares available for over-subscription is distributed, as nearly as practicable, on a pro rata basis. The Fund will not offer to sell in connection with the Offer any Shares that are not subscribed for pursuant to the Primary Subscription or the Over-Subscription Privilege.

To the extent Record Date Shareholders do not exercise all of the Rights issued to them, and Record Date Shareholders who have exercised their Rights do not wish to participate in the Over-Subscription Privilege, the Fund will deregister those underlying shares not sold thereunder.

Subscription Price

The Subscription Price for the Shares to be issued pursuant to the Offer will be equal to 95% of the lower of the NAV at the close of business on September 16, 2022 (the "Pricing Date") or the average of the last reported sales price of a share of the Fund's Common Stock on the NYSE on the Pricing Date and the four preceding business days, unless the Offer is extended. For example, if the average of the last reported sales price of a share on the NYSE on the Pricing Date and the four preceding business days of a share of the Fund's Common Stock is $8.66, and if the NAV is $8.51, the Subscription Price will be $8.08 (equal to 95% of the lower of the NAV or of $8.66). The Subscription Price will therefore be lower than the Fund's then current net asset value per share.

The Fund announced the Offer on March 2, 2022. The net asset value per share of Common Stock at the close of business on March 1, 2022 and August 9, 2022, was $8.74 and $8.51, respectively, and the last reported sales prices of a share of the Fund's Common Stock on the NYSE on those dates was $9.18 and $8.10, respectively.

Expiration of the Offer

The Offer will expire at 5:00 p.m., New York City time, on September 16, 2022, unless extended by the Fund until 5:00 p.m., New York City time, to a date not later than October 16, 2022. Brokers may apply an earlier cutoff time, so shareholders that hold their shares through brokers should contact their brokers about the applicable end of the offering period. The Rights will expire on the Expiration Date and thereafter may not be exercised. Since the Expiration Date and the Pricing Date will be the same date, Record Date Shareholders who decide to acquire Shares in the Primary Subscription or pursuant to the Over-Subscription Privilege will not know when they make such decision the purchase price of such Shares. Any extension of the

Offer will be followed as promptly as practicable by announcement thereof. Such announcement shall be issued no later than 9:00 a.m., New York City time, on the next business day following the previously scheduled Expiration Date. Without limiting the manner in which the Fund may choose to make such announcement, the Fund will not, unless otherwise required by law, have any obligation to publish, advertise or otherwise communicate any such announcement other than by making a release to the Dow Jones News Service or such other means of announcement as the Fund deems appropriate.

Method of Exercise of Rights

The Subscription Certificates, which evidence the Rights, will be mailed to Record Date Shareholders or, if a Record Date Shareholder's shares of Common Stock are held by a depository or nominee on their behalf, to such depository or nominee.

Rights may be exercised by fully completing and signing the Subscription Certificate which accompanies this Prospectus and mailing it in the envelope provided, or otherwise delivering the completed and signed Subscription Certificate to the Subscription Agent, together with payment in full for the Shares at the estimated payment price (the "Estimated Payment Price") as described below under "Payment for Shares." Rights may also be exercised by a Record Date Shareholder contacting his or her broker, bank or trust company, which can arrange, on his or her behalf, to submit a properly completed and executed Subscription Certificate. The broker, bank or trust company may charge a fee for this service. Fractional Shares will not be issued. A Record Date Shareholder whose total ownership is fewer than three shares of Common Stock and, accordingly, would otherwise receive fewer than three Rights will receive three Rights in order to be able to subscribe for one Share upon the exercise of all of such Rights received and, if he or she subscribes for one Share, will be able to request additional Shares pursuant to the terms of the Offer applicable to the Over-Subscription Privilege. Record Date Shareholders who otherwise have remaining fewer than three Rights will not be able to purchase a Share upon the exercise of such Rights but will be able to request additional Shares pursuant to the terms of the Offer applicable to the Over-Subscription Privilege. Completed Subscription Certificates must be received by the Subscription Agent prior to 5:00 p.m., New York City time, on the Expiration Date (unless the broker, bank or trust company's procedures are complied with as described below under "Payment for Shares") at the offices of the Subscription Agent at the address set forth below.

Shareholders Who Are Record Owners. Shareholders who are record owners can choose between either option set forth under "Payment for Shares" below. If time is of the essence, option (2), under "Payment for Shares" below, will permit delivery of the Subscription Certificate and payment after the Expiration Date.

Shareholders Whose Shares Are Held By A Nominee. Shareholders whose shares are held by a nominee, such as a broker, bank or trust company, must contact such nominee to exercise their Rights. In that case, the nominee will complete the Subscription Certificate on behalf of the shareholder and arrange for proper payment by one of the methods set forth under "Payment for Shares" below.

Nominees. Nominees who hold shares of Common Stock for the account of others must (to the extent required by applicable law) notify the beneficial owners of such shares as soon as possible to ascertain such beneficial owners' intentions and to obtain instructions with respect to the Rights. If the beneficial owner so instructs, the nominee should complete the Subscription Certificate and submit it to the Subscription Agent with the proper payment described under "Payment for Shares" below.

Information Agent

Any questions or requests for assistance may be directed to the Information Agent at its telephone number listed below:

The Information Agent for the Offer is:

Georgeson LLC

Call Toll-Free:
866-431-2108

Shareholders may also contact their brokers or nominees for information with respect to the Offer.

The Information Agent will receive a fee estimated to be approximately $55,000, which includes reimbursement for all out-of-pocket expenses related to the Offer.

Subscription Agent

The Subscription Agent is Computershare Trust Company, N.A., which will receive for its administrative, processing, invoicing and other services as subscription agent, a fee which may include reimbursement for all out-of-pocket expenses related to the Offer. Signed Subscription Certificates must be sent, together with payment at the Estimated Payment Price for all Shares subscribed in the Primary Subscription and Over-Subscription Privilege by one of the methods described below, prior to 5:00 p.m., New York City time, on the Expiration Date.

(1) BY FIRST CLASS MAIL ONLY:

Computershare Trust Company, N.A.
Attention: Virtus Total Return Fund Inc.
P.O. Box 43011
Providence RI 02940-3011

(2) BY EXPRESS MAIL OR OVERNIGHT COURIER:

Computershare Trust Company, N.A.
Attention: Virtus Total Return Fund Inc.
150 Royall St.
Suite V
Canton, MA 02021

DELIVERY TO AN ADDRESS OTHER THAN ONE OF THE ADDRESSES LISTED ABOVE WILL NOT CONSTITUTE VALID DELIVERY.

Payment for Shares

A Record Date Shareholder can send the Subscription Certificate together with payment for the Shares acquired in the Primary Subscription and for additional Shares subscribed for pursuant to the Over-Subscription Privilege to the Subscription Agent. Payment should be calculated on the basis of the Estimated Payment Price of $8.50 per Share for all Shares requested. To be accepted, such payment, together with the executed Subscription Certificate, must be received by the Subscription Agent at one of the Subscription Agent's offices at the addresses set forth above prior to 5:00 p.m., New York City time, on the Expiration Date. Brokers, banks and trust companies may apply an earlier cutoff time, so shareholders that hold their shares through such agents should contact their agents about the applicable end of the offering period. The Subscription Agent will deposit all monies received by it prior to the final payment date into a segregated interest-bearing account pending proration and distribution of the Shares. **A PAYMENT PURSUANT TO THIS METHOD MUST BE IN UNITED STATES DOLLARS BY PERSONAL CHECK DRAWN ON A BANK LOCATED IN THE UNITED STATES, MUST BE PAYABLE TO COMPUTERSHARE AND MUST ACCOMPANY A PROPERLY COMPLETED AND EXECUTED SUBSCRIPTION CERTIFICATE FOR SUCH SUBSCRIPTION CERTIFICATE TO BE ACCEPTED.**

Within ten business days following the Expiration Date (September 16, 2022, unless the Offer is extended, the "Confirmation Date"), a confirmation will be sent by the Subscription Agent to each subscribing Record Date Shareholder (or, if the Record Date Shareholder's shares of Common Stock are held by a depository or nominee, to such depository or nominee), showing (i) the number of Shares acquired pursuant to the Primary Subscription and (ii) the number of Shares, if any, acquired pursuant to the Over-Subscription Privilege. If any Record Date Shareholder exercises his or her right to acquire Shares pursuant to the Over-Subscription Privilege, any such excess payment which would otherwise be refunded to the Record Date Shareholder will be applied by the Fund toward payment for additional Shares acquired pursuant to exercise of the Over-Subscription Privilege. Any additional payment required from a Record Date Shareholder must be received by the Subscription Agent within ten business days after the Confirmation Date. Any excess payment to be refunded by the Fund to a Record Date Shareholder will be mailed by the Subscription Agent to such Record

Date Shareholder as promptly as possible. All payments by a Record Date Shareholder must be in United States dollars by personal check drawn on a bank located in the United States of America and payable to **COMPUTERSHARE.**

Issuance and delivery of certificates for the Shares purchased are subject to collection of checks and actual payment.

RECORD DATE SHAREHOLDERS WILL HAVE NO RIGHT TO RESCIND THEIR SUBSCRIPTION AFTER RECEIPT OF THEIR PAYMENT FOR SHARES BY THE SUBSCRIPTION AGENT, EXCEPT AS PROVIDED BELOW UNDER "POSSIBLE SUSPENSION OR WITHDRAWAL OF THE OFFER."

If a Record Date Shareholder who acquires Shares pursuant to the Primary Subscription or Over-Subscription Privilege does not make payment of any additional amounts due by the ninth business day after the Confirmation Date, the Fund reserves the right to take any or all of the following actions: (i) sell such subscribed and unpaid-for Shares to other Record Date Shareholders, (ii) apply any payment actually received by it toward the purchase of the greatest whole number of Shares which could be acquired by such holder upon exercise of the Primary Subscription or Over-Subscription Privilege, or (iii) exercise any and all other rights or remedies to which it may be entitled.

THE METHOD OF DELIVERY OF SUBSCRIPTION CERTIFICATES AND PAYMENT OF THE SUBSCRIPTION PRICE TO THE FUND WILL BE AT THE ELECTION AND RISK OF THE RIGHTS HOLDERS, BUT IF SENT BY MAIL IT IS RECOMMENDED THAT SUCH CERTIFICATES AND PAYMENT BE SENT BY REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED, AND THAT A SUFFICIENT NUMBER OF DAYS BE ALLOWED TO ENSURE DELIVERY TO THE FUND AND CLEARANCE OF PAYMENT PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE. BECAUSE UNCERTIFIED PERSONAL CHECKS MAY TAKE AT LEAST FIVE BUSINESS DAYS TO CLEAR AND, AT THE DISCRETION OF THE FUND, MAY NOT BE ACCEPTED IF NOT CLEARED PRIOR TO THE EXPIRATION DATE, YOU ARE STRONGLY ENCOURAGED TO PAY, OR ARRANGE FOR PAYMENT, AS PROMPTLY AS PRACTICABLE.

All questions concerning the timeliness, validity, form and eligibility of any exercise of Rights will be determined by the Fund, whose determinations will be final and binding. The Fund, in its sole discretion, may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as it may determine, or reject the purported exercise of any Right. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived or cured within such time as the Fund determines in its sole discretion. The Fund will not be under any duty to give notification of any defect or irregularity in connection with the submission of Subscription Certificates or incur any liability for failure to give such notification.

Possible Suspension or Withdrawal of the Offer

As required by the Commission's registration form, the Fund has undertaken to suspend the Offer until it amends this Prospectus if (1) subsequent to the effective date of the Fund's Registration Statement, the Fund's net asset value declines more than 10% from its net asset value as of such effective date, or (2) the Fund's net asset value increases to an amount greater than its net proceeds as stated in the Prospectus. Accordingly, the Fund will notify Record Date Shareholders of any such decline or increase and permit them to cancel their exercise of Rights.

Non-Transferability of Rights

The Rights are non-transferable and, therefore, may not be purchased or sold. The Rights will not be listed for trading on the NYSE or any other exchange. However, the additional Shares of Common Stock to be issued upon the exercise of the Rights and the Over-Subscription Privilege will be listed for trading on the NYSE, subject to notice of issuance.

Delivery of Shares

Stock certificates will not be issued for Shares acquired in the Primary Subscription or pursuant to the Over-Subscription Privilege. Participants in the Fund's Automatic Reinvestment and Cash Purchase Plan (the "Plan") will have any Shares acquired in the Primary Subscription and pursuant to the Over-Subscription Privilege credited to their shareholder distribution reinvestment accounts in the Plan. Participants in the Plan wishing to exercise Rights for the shares of Common Stock held in their accounts in the Plan must exercise them in accordance with the procedures set forth above. Record Date Shareholders whose shares of Common Stock are held of record by a depository or nominee on their behalf or their broker-dealer's behalf will have any Shares acquired in the Primary Subscription credited to the account of such depository or nominee. Shares acquired pursuant to the Over-Subscription Privilege will be credited directly to such depository or nominee.

Foreign Restrictions

Offering documents, including Subscription Certificates, will not be mailed to Record Date Shareholders whose addresses are outside the United States (for these purposes, the United States includes its territories and possessions and the District of Columbia) (the "Foreign Shareholders") if such mailing cannot be made into the non-U.S. jurisdiction without additional registration and incurring other expense that the Board has determined is not in the best interest of the Fund and its shareholders. In such cases, unless determined to be not in the best interest of the Fund and its shareholders in accordance with the previous sentence, Foreign Shareholders will receive written notice of the Offer, but Subscription Certificates will not be mailed to such shareholders. The Rights to which those Subscription Certificates relate will be held by the Subscription Agent for such foreign Record Date Shareholders' accounts until instructions are received in writing with payment to exercise the Rights. If no such instructions are received by the Expiration Date, such Rights will expire.

Federal Income Tax Consequences

The U.S. federal income tax consequences to holders of Common Stock with respect to the Offer will be as follows:

U.S. Shareholders (as defined below) who receive Rights pursuant to the Offer should not recognize taxable income for U.S. federal income tax purposes upon their receipt of the Rights. If Rights issued to a U.S. Shareholder expire without being sold or exercised, no basis should be allocated to such Rights, and such Shareholder should not recognize any gain or loss for U.S. federal income tax purposes upon such expiration.

The tax basis of a U.S. Shareholder's Common Stock should remain unchanged and the shareholder's basis in the Rights should be zero, unless such U.S. Shareholder affirmatively and irrevocably elects (in a statement attached to such shareholder's U.S. federal income tax return for the year in which the Rights are received) to allocate the basis in the Common Stock between such Common Stock and the Rights in proportion to their respective fair market values on the date of distribution.

A U.S. Shareholder who exercises Rights should not recognize any gain or loss for U.S. federal income tax purposes upon the exercise. The tax basis of the newly acquired Common Stock should equal the Subscription Price paid for the Common Stock (plus the basis, if any, allocated to the Rights in the manner described in the immediately preceding paragraph). See "Taxation" in this Prospectus and in the SAI.

Each U.S. Shareholder is urged to consult his or her own tax advisor with respect to the specific federal, state and local tax consequences to such U.S. Shareholder of receiving Rights in this offer.

Employee Plan Considerations

Shareholders that are employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (including corporate savings and 401(k) plans), Keogh or H.R. 10 plans of self-employed individuals and Individual Retirement Accounts ("IRAs") (collectively, "Plans") should be aware of the complexity of the rules and regulations governing Plans and the penalties for noncompliance, and Plans should consult with their counsel regarding the consequences of their exercise of Rights under ERISA and the Internal Revenue Code of 1986, as amended (the "Code").

USE OF PROCEEDS

If all of the Rights are exercised in full and assuming a Subscription Price of $8.08 per Share, the net proceeds to the Fund would be approximately $132,595,000, after deducting expenses payable by the Fund in connection with the offering estimated to total $725,000. If the Fund increases the number of shares of Common Stock subject to subscription by up to 4,125,000 Shares, in order to satisfy over-subscription requests, the additional net proceeds will be approximately $165,925,000. However, there can be no assurance that all Rights will be exercised in full, and the Subscription Price will not be determined until the close of business on the Expiration Date. The Fund anticipates that the net proceeds of the Offer will be allocated wholly to the infrastructure sleeve and as a result the allocation to the equity portion will increase. The Fund also expects the proceeds to be invested in investments conforming to the Fund's investment objective and policies within one month, under normal market conditions, from their receipt by the Fund. Pending such investment, the proceeds will be invested in cash or cash equivalent short-term obligations including, but not limited to, U.S. government obligations, certificates of deposit, commercial paper and short-term notes. See "The Offer — Purpose of the Offer."

THE FUND

The Fund, incorporated in Maryland on July 21, 1988, is a diversified, closed-end management investment company registered under the 1940 Act. The Fund's investment objective is capital appreciation, with current income as a secondary objective. The Fund has a current target allocation of investing approximately 60% of its total assets in equity securities and 40% in fixed income. The equity portion of the Fund invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries. The fixed income portion of the Fund is designed to generate high current income and total return through the application of active sector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across undervalued areas of the fixed income markets. See also "Investment Objective and Policies."

The Investment Adviser, Virtus Investment Advisers, Inc., is an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), a NASDAQ listed company. VIA is registered as an investment advisory firm under the Investment Advisers Act of 1940, as amended. Such registration does not involve supervision or approval by the Commission of investment advice rendered by the Investment Adviser. See "Management of the Fund."

Duff & Phelps Investment Management Co., an indirect, wholly-owned subsidiary of Virtus, is the subadviser of the equity portion of the Fund's portfolio; and Virtus Fixed Income Advisers, LLC, operating through its division Newfleet Asset Management, also an indirect, wholly-owned subsidiary of Virtus, is the subadviser of the fixed income portion of the Fund's portfolio. Each Subadviser is registered as an investment advisory firm with the Commission under the Investment Advisers Act of 1940, as amended. See "Management of the Fund."

The Fund's principal office is located at 101 Munson Street, Greenfield, MA 01301-9683 and its telephone number is (866) 270-7788.

MARKET PRICE AND NET ASSET VALUE INFORMATION

Shares of the Fund's Common Stock are listed on the NYSE under the symbol "ZTR." The following table sets forth for the calendar quarters indicated: (i) the high and low closing prices per share of the Fund's Common Stock on the NYSE; (ii) the net asset value per share of the Fund's Common Stock on the day of the high or low closing price; and (iii) the percentage by which the shares of Common Stock of the Fund traded at a premium over, or discount from, the Fund's high and low net asset values per share.

Quarter Ended	High Sales Price*	Net Asset Value	Premium (Discount)	Low Sales Price*	Net Asset Value	Premium (Discount)
3/31/20	$11.95	$11.04	8.24%	$5.05	$7.19	(29.76)%
6/30/20	$ 9.08	$ 9.24	(1.73)%	$6.61	$7.39	(10.55)%
9/30/20	$ 8.37	$ 8.75	(4.34)%	$7.76	$8.86	(12.42)%
12/31/20	$ 8.84	$ 9.28	(4.74)%	$7.36	$8.69	(15.30)%
3/31/21	$ 9.34	$ 9.02	3.55%	$8.56	$9.27	(7.66)%
6/30/21	$10.23	$ 9.54	7.23%	$9.21	$9.25	(0.43)%
9/30/21	$ 9.95	$ 9.40	5.85%	$9.22	$9.21	0.11%
12/31/21	$ 9.74	$ 9.42	3.40%	$9.30	$9.20	1.09%
3/31/22	$ 9.76	$ 9.25	5.51%	$8.82	$8.54	3.28%

* As reported by the NYSE.

The Fund's shares of Common Stock have traded in the market above, at and below net asset value since the commencement of the Fund's operations in September 1988. The Fund's officers cannot predict whether the Subscription Price will be at or below the Fund's net asset value per Share on the Pricing Date. The Fund's Board of Directors has adopted a Managed Distribution Plan which currently provides for the Fund to make a monthly distribution at the rate of $0.08 per share. The Fund's officers believe that without this monthly distribution policy, there would likely be a decrease in the amount of any premium at which the Fund's shares would be trading above net asset value or an increase in the amount of any discount at which the Fund's shares would be trading from net asset value; however, the Fund's officers cannot predict whether such policy will have this effect in the future. See "Distributions" and "Automatic Reinvestment and Cash Purchase Plan." Pursuant to a program announced in March 2012, the Fund is authorized to repurchase its shares on the open market when the shares are trading at a discount from net asset value. Between April 2012 through December 2015, the Fund repurchased 4,230,853 shares at an aggregate cost to the fund of $55.6 million. See "Description of Common Stock — Repurchase of Shares; Tender Offers." Since the Fund's inception, the Board of Directors has maintained a policy pursuant to which the Board of Directors considers the making of tender offers of the Fund each quarter during periods when the Fund's shares are trading at a discount from net asset value. See "Description of Common Stock — Tender Offers." The Fund's Articles of Incorporation were amended on June 2, 2010 to provide that if during any fiscal quarter ending on or after June 30, 2010, the Fund's shares trade, on the principal securities exchange on which they are traded, at an average discount from net asset value of 10% or more (determined on the basis of the discount as of the end of the last trading day in each week during such quarter), the Fund's Board of Directors, at its next regularly scheduled meeting shall consider potential measures to seek to reduce the discount, and in its sole discretion may determine if it would be appropriate to submit to the Fund's shareholders a proposal to convert the Fund to an open-end investment company (a "Conversion Proposal"). Approval of a Conversion Proposal would require the affirmative vote of a majority of the outstanding shares of the Fund entitled to be voted thereon. Under the Fund's prior Articles of Incorporation, the Fund submitted a mandatory Conversion Proposal to its shareholders in 2000, 2001, 2004, 2008 and 2009 because the Fund's shares had traded at an average discount from net asset value of 10% or more during the quarter ended March 31, 2000, the quarter ended December 31, 2000, the quarter ended December 31, 2003, the quarter ended December 31, 2008 and the quarter ended June 30, 2009, respectively. The Fund's shareholders did not approve a Conversion Proposal on any of those occasions. See "Description of Common Stock — Articles of Incorporation Amendment."

On March 1, 2022, the net asset value per share of Common Stock was $8.74 and the closing market price was $9.18, representing a premium to net asset value per share of 5.03%.

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The Fund's investment objective is s capital appreciation, with current income as a secondary objective.

Investment Strategies

The Fund has a current target allocation of investing approximately 60% of its total assets inequity securities and 40% in fixed income. The equity portion of the Fund invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries. The fixed income portion of the Fund is designed to generate high current income and total return through the application of active sector rotation, extensive credit research, and disciplined risk management designed to capitalize on opportunities across undervalued areas of the fixed income markets. When changing economic conditions and other factors cause the yield difference between lower-rated and higher-rated securities to narrow, the Fund may purchase higher-rated debt instruments if Newfleet believes that the risk of loss of income and principal may be reduced substantially with only a relatively small reduction in yield.

VIA, in its capacity as investment adviser to the Fund, and DPIM and Newfleet, in their capacities as subadvisers, will seek to achieve the Fund's investment objective by investing globally in equity securities of owners/operators of infrastructure and by investing across 14 sectors of the fixed income markets currently identified by Newfleet to generate high current income and total return. Subject to the supervision of VIA, DPIM will manage the equity portion, and Newfleet will manage the fixed-income portion of the Fund's assets. VIA has advised that it anticipates that the net proceeds of the Offer will be allocated wholly to the infrastructure sleeve, and as a result the allocation to the equity portion managed by DPIM will increase. VIA monitors the allocation to the Subadvisers on an ongoing basis, and may rebalance the Fund's assets periodically in its discretion.

The infrastructure companies in which DPIM may typically invest are issuers involved to a significant extent in providing energy, utility, transportation, communication and other essential services to society. These essential services include (i) the generation, transmission, distribution or storage of electricity, oil, gas or water, (ii) the provision of telecommunications services, including telephone, cable television, satellite, and other communications activities; and (iii) the construction, operation, or ownership of airports, toll roads, railroads, ports, pipelines, or educational and healthcare facilities. A company will be deemed an infrastructure company if at least 50% of its assets, gross income or profits are committed to, or derived from, one or more of these activities. Infrastructure owners/operators offer revenues with low variability; stable and predictable cash flows; an ability to distribute relatively high dividends; and many have inflation-linked revenues via long-term lease contracts. Infrastructure owners/operators exhibit attractive risk/return characteristics, offer moderate-to-high income and moderate growth; and are defensive in nature.

Newfleet's objective to generate high current income and total return is accomplished by applying extensive credit research and a time-tested approach to capitalize on opportunities across sectors of the bond market that it believes are undervalued. Newfleet seeks diversification in the fixed income portion of the Fund among 14 sectors in a manner that Newfleet believes may potentially increase return while simultaneously managing risk. The fixed income portion of the Fund may be invested without limitation in below investment grade securities, also known as junk bonds. A team of investment professionals provides significant research depth across the 14 bond market sectors currently identified by Newfleet.

The Fund's investment objective may not be changed without the approval of a majority of the Fund's outstanding voting securities. As used in this Prospectus, the term "majority of the Fund's outstanding voting securities" means the lesser of either (i) 67% of the shares represented at a shareholders meeting at which the holders of more than 50% of the outstanding shares are present in person or by proxy, or (ii) more than 50% of the outstanding shares.

Principal Investment Strategies

The Fund may use some or all of the following investment strategies where their use appears appropriate to a Subadviser. No assurance can be given that the Fund will use any or all of such investment methods or, if used, that their use will achieve its investment objective. The investment methods described below are subject to, and should be read in conjunction with, the discussion under "Investment Restrictions" and "Investment Objective and Policies" in the SAI.

Common Stock

The Fund may invest in Common stock. Common stock represents the residual ownership interest in the issuer.

Credit Quality

With respect to the portion of its assets allocated to preferred securities and debt securities, the Fund may invest without limit in securities that at the time of investment are rated below investment grade (Baa or lower) by Moody's, (BBB or lower) by S&P, or an equivalent rating by a nationally recognized statistical rating agency or that are unrated but judged to be below investment grade by the Adviser.

Debt Securities

The Fund may invest in debt securities. The Fund may also invest in loans and loan participations. The Fund may invest in debt securities of any rating, including below investment grade and unrated debt securities.

Emerging Markets

The Fund may invest in securities of issuers located or doing business in developing or "emerging market" countries. The Adviser has broad discretion to identify and invest in countries that it considers to qualify as emerging market countries.

Foreign Issuers

The Fund may invest without limit in securities of foreign issuers. The Fund may seek to gain exposure to foreign issuers by investing in derivative instruments, including swap agreements.

Leverage

The Fund may use leverage through bank borrowings, margin financing, reverse repurchase agreements or other transactions involving indebtedness or through the issuance of preferred shares. The Fund may also enter into derivatives transactions, including total return swaps, that may in certain circumstances produce effects similar to leverage, although such leveraging effect is not limited by the percentage restrictions contained in this paragraph, provided that the Fund "covers" its obligations under such transactions. See "Leverage."

The Fund may vary its use of leverage in response to changing market conditions and the Fund may significantly reduce or not utilize leverage for a period of time if it determines that the costs of leverage either would exceed the return that it anticipates on the securities purchased with the leverage proceeds or would require investment in securities with a higher risk profile than is desirable. The Fund will not use leverage if it anticipates that a leveraged capital structure would result in a lower return to shareholders than the Fund could obtain over time without leverage.

Mortgage-Related and Asset Backed Securities

The Fund may invest in mortgage-related and asset-backed securities including mortgage pass-through securities, commercial mortgage-backed securities ("CMBS"), commercial real estate collateralized debt obligation ("CRE CDOs"), collateralized loan obligations ("CLOs") and other securities that directly or indirectly represent a participation in, or are secured by or payable from, mortgage loans on real property or other assets. These investments may include subordinate classes including the "equity" or first loss class.

Preferred Securities

The Fund may invest in preferred securities and convertible preferred securities. Preferred securities pay fixed or floating dividends to investors and have "preference" over common stock in payment of dividends and liquidation of a company's assets.

Repurchase Agreements

In a repurchase agreement, the Fund purchases a security and simultaneously commits to sell that security back to the original seller at an agreed-upon price. The resale price reflects the purchase price plus an agreed-upon incremental amount that is unrelated to the coupon rate or maturity of the purchased security. As protection against the risk that the original seller will not fulfill its obligation, the securities are held in a separate account at a bank, marked-to- market daily and maintained at a value at least equal to the sale price plus the accrued incremental amount. While it does not presently appear possible to eliminate all risks from these transactions (particularly the possibility that the value of the underlying security will be less than the resale price, as well as delays and costs to a fund in connection with bankruptcy proceedings), the Fund will engage in repurchase agreement transactions only with parties whose creditworthiness has been reviewed and found satisfactory by the Adviser.

Reverse Repurchase Agreements

The Fund may enter into reverse repurchase agreements with respect to its portfolio investments subject to the investment restrictions set forth herein. Reverse repurchase agreements involve the sale of securities held by the Fund with an agreement by the Fund to repurchase the securities at an agreed upon price, date and interest payment. The use by the Fund of reverse repurchase agreements involves many of the same risks of leverage described under "Leverage" and "Risks of the Fund — Leverage Risk," since the proceeds derived from such reverse repurchase agreements may be invested in additional securities. At the time the Fund enters into a reverse repurchase agreement, it may designate on its books and records liquid instruments having a value not less than the repurchase price (including accrued interest). If the Fund designates liquid instruments on its books and records, a reverse repurchase agreement will not be considered a borrowing by the Fund; however, under circumstances in which the Fund does not designate liquid instruments on its books and records, such reverse repurchase agreement will be considered a borrowing for the purpose of the Fund's limitation on borrowings. Reverse repurchase agreements involve the risk that the market value of the securities acquired in connection with the reverse repurchase agreement may decline below the price of the securities the Fund has sold but is obligated to repurchase. Also, reverse repurchase agreements involve the risk that the market value of the securities retained in lieu of sale by the Fund in connection with the reverse repurchase agreement may decline in price. If the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Fund's obligation to repurchase the securities, and the Fund's use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. Also, the Fund would bear the risk of loss to the extent that the proceeds of the reverse repurchase agreement are less than the value of the securities subject to such agreement.

U.S. Government Securities

The Fund will generally invest in U.S. government securities, which are those securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, including U.S. Treasury securities that differ in their interest rates, maturities and times of issuance. Some obligations issued or guaranteed by U.S. government agencies and instrumentalities are supported by the full faith and credit of the U.S. Treasury; others by the right of the issuer to borrow from the Treasury; others by discretionary authority of the U.S. government to purchase certain obligations of the agency or instrumentality; and others only by the credit of the agency or instrumentality. These securities bear fixed, floating or variable rates of interest. While the U.S. government provides financial support to such U.S. government-sponsored agencies and instrumentalities, no assurance can be given that it will always do so since it is not so obligated by law.

Additional Investment Strategies

Closed-End Investment Companies

The Fund may also invest in other closed-end investment companies if the Investment Adviser believes that such investments will further the Fund's investment objective. If the Fund purchases shares of another investment company at a discount which subsequently declines, the performance of such investment generally would be better than if the Fund had purchased the underlying portfolio investments of such other investment company.

Convertible Securities

The Fund may invest in convertible securities and synthetic convertible securities. Convertible securities include bonds, debentures, notes, preferred stocks and other securities that entitle the holder to acquire common stock or other equity securities of the same or a different issuer.

Derivatives

The Fund may use various derivative instruments, such as exchange-listed and over-the-counter put and call options, future contracts, options on futures contracts, swaps, caps, floors or collars, to earn income, generate investment return, facilitate portfolio management and mitigate risks. The Fund may also seek to gain exposure to securities, indices or baskets of securities by investing in derivative instruments such as swap agreements.

Exchange-Traded Funds

The Fund may invest in passively managed registered open-end investment companies or other baskets of securities, such as unit investment trusts, which trade on a national securities exchange or NASDAQ and are commonly called ETFs. These investments represent shares of ownership in ETFs that hold portfolios of securities which are designed to generally correspond to and closely track the price and yield performance of an index of securities. Accordingly, ETFs have risks similar to those of stocks and are subject to market volatility. Investment returns may fluctuate so that invested shares, when redeemed or sold, may be worth more or less than their original cost.

Forward Foreign Currency Contracts

In the event that the Funds execute a foreign security transaction, the Funds may enter into forward foreign currency contracts to settle specific purchases or sales of securities denominated in a foreign currency.

Interest Rate Hedging Transactions

The Fund may enter into interest rate hedging transactions to hedge against interest rate risks inherent in its underlying investments and use of leverage.

Investment Restrictions

The restrictions set forth under "Investment Restrictions" are fundamental, and thus may be changed only with the approval of a majority of the Fund's outstanding voting securities.

Acting as Underwriter

The Fund may not act as an underwriter of securities of other issuers, except to the extent that the Fund might be considered an underwriter within the meaning of the 1933 Act in the disposition of securities.

Borrowing

The Fund may not borrow money (through reverse repurchase agreements or otherwise), except (i) for temporary emergency purposes in amounts not in excess of 5% of the value of the Fund's total assets at the time the loan is made; or (ii) in an amount not greater than 33 1/3% of the Fund's total assets.

Commodities

The Fund may not purchase physical commodities or contracts relating to physical commodities, except as permitted under the 1940 Act and other applicable laws, rules and regulations, as such may be interpreted or modified by regulatory authorities having jurisdiction, from time to time.

Illiquid Securities

The Fund may invest without limit in illiquid securities (i.e. securities that are no readily marketable). Illiquid securities may include, but are not limited to, restricted securities, securities that may only be resold pursuant to Rule 144A under the 1933 Act, as amended and repurchase agreements with maturities in excess of seven days. Illiquid securities may also include interests in senior, senior subordinated or subordinated debt obligations.

Industry Concentration

The Fund may not purchase any security if, as a result, 25% or more of its total assets would be invested in securities of issuers having their principal business activities in the same industry. This investment restriction does not apply to investments in U.S. Government Securities.

Lending

The Fund may not lend any funds or other assets, except that the Fund may purchase publicly distributed debt obligations (including repurchase agreements) consistent with its investment objective and policies, and the Fund may make loans of portfolio securities if such loans do not cause the aggregate amount of all outstanding securities loans to exceed 33 1/3% of the Fund's total assets, provided that the loan is collateralized by cash or cash equivalents or U.S. Government Securities in an amount equal, on a daily basis, to the market value of the securities loaned.

Real Estate

The Fund may not purchase or sell real estate, provided that the Fund may invest in securities secured by real estate or real estate interests or issued by companies which invest in real estate or real estate interests.

Senior Securities

The Fund may not issue senior securities in contravention of the Investment Company Act of 1940.

Temporary Defensive Positions

Under unusual market or economic conditions for temporary defensive purposes, the Fund may invest up to 100% of its total assets in securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, investment grade securities, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a rating agency or other fixed-income securities deemed by the Adviser to be consistent with a defensive posture, or may hold cash. The yield on such securities may be lower than the yield on lower-rated fixed-income securities, and the Fund may not achieve its investment objective when it takes such temporary defensive position.

PRINCIPAL RISK FACTORS AND SPECIAL CONSIDERATIONS

The following discusses certain matters that should be considered, among others, in connection with the Offer.

Dilution — Net Asset Value and Non-Participation in the Offer

Record Date Shareholders who do not fully exercise their Rights will, upon the completion of the Offer, own a smaller proportional interest in the Fund than they owned prior to the Offer. In addition, an immediate dilution of the net asset value per share will be experienced by all shareholders as a result of the Offer because the Subscription Price will be less than the then current net asset value per share, and the number of shares outstanding after the Offer will increase in greater percentage than the increase in the size of the Fund's assets. Although it is not possible to state precisely the amount of such decrease in net asset value per share because it is not known at this time what the Subscription Price will be, what the net asset value per share will be on the Pricing Date, or what proportion of the Shares will be subscribed for, such dilution could be minimal or substantial. For example, assuming (i) all Rights are exercised, (ii) the Fund's net asset value on the Pricing Date is $8.51 per share (the net asset value per share on August 9, 2022), and (iii) the Subscription Price is $8.08 per share (equal to 95% the lower of the NAV at the close of business on August 9, 2022 or the average of the last reported sale price of a share of the Fund's Common Stock on the NYSE on August 9, 2022, and the four preceding business days), then the Fund's net asset value per share (after deduction of offering expenses) would be reduced by approximately $0.14 per share or 1.62%.

Anti-Takeover Provisions. Certain provisions of the Fund's Articles of Incorporation could have the effect of limiting the ability of entities or persons to acquire control of the Fund or to modify the Fund's structure. The provisions may have the effect of depriving shareholders of an opportunity to sell shares at a premium over prevailing market prices and may have the effect of inhibiting conversion of the Fund to an open-end investment company.

Asset-Backed Securities Risk. The Fund may invest in structured products, including collateralized debt obligations ("CDOs"), collateralized bond obligations ("CBOs"), CLOs, structured notes, credit-linked notes and other types of structured products. Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Fund may have the right to receive payments only from the structured product, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured products generally pay their share of the structured product's administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured product uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured products owned by the Fund.

Certain structured products may be thinly traded or have a limited trading market. CBOs, CLOs and other CDOs are typically privately offered and sold, and thus are not registered under the securities laws. As a result, investments in CBOs, CLOs and CDOs may be characterized by the Fund as illiquid securities; however, an active dealer market may exist which would allow such securities to be considered liquid in some circumstances. In addition to the general risks associated with debt securities discussed herein, CBOs, CLOs and CDOs carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that the CBOs, CLOs and CDOs are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Investments in structured notes involve risks, including credit risk and market risk. Where the Fund's investments in structured notes are based upon the movement of one or more factors, including currency exchange rates, interest rates, referenced bonds and stock indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of the factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero, and any further changes in the reference instrument may then reduce the principal amount payable on maturity. Structured notes may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the note. The Fund's current investment in equity tranches of CLO's is particularly subject to these risks.

Bank Loan Risk. Investing in loans (including floating rate loans, loan assignments, loan participations and other loan instruments) carries certain risks in addition to the risks typically associated with high-yield/high-risk fixed income securities. Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and sometimes trade infrequently on the secondary market. In the event a borrower defaults, the Fund's access to the collateral may be limited or delayed by bankruptcy or other insolvency laws. There is a risk that the value of the collateral securing the loan may decline after the Fund invests and that the collateral may not be sufficient to cover the amount owed to the Fund. If the loan is unsecured, there is no specific collateral on which the Fund can foreclose. In addition, if a secured loan is foreclosed, the Fund may bear the costs and liabilities associated with owning and disposing of the collateral, including the risk that collateral may be difficult to sell.

Transactions in many loans settle on a delayed basis that may take more than seven days. As a result, sale proceeds related to the sale of loans may not be available until potentially a substantial period of time after the sale of the loans. No active trading market may exist for some loans, which may impact the ability of the Fund to realize full value in the event of the need to liquidate such assets. Adverse market conditions may impair the liquidity of some actively traded loans. Loans also may be subject to restrictions on resale, which can delay the sale and adversely impact the sale price. Difficulty in selling a loan can result in a loss. Loans made to finance highly leveraged corporate acquisitions may be especially vulnerable to adverse changes in economic or market conditions. Certain loans may not be considered "securities," and purchasers, such as the Fund, therefore may not be entitled to rely on the strong anti-fraud protections of the federal securities laws. With loan participations, the Fund may not be able to control the exercise of any remedies that the lender would have under the loan and likely would not have any rights against the borrower directly, so that delays and expense may be greater than those that would be involved if the Fund could enforce its rights directly against the borrower.

Below Investment Grade Securities Risk. The Fund may invest without limit in securities that at the time of investment are rated below investment grade. Securities rated below investment grade are regarded as having predominately speculative characteristics with respect to the issuer's capacity to pay interest and repay principal, and these securities are sometimes referred to as "junk bonds." These securities are subject to a greater risk of default. A security will be considered to be below investment grade if, at the time of investment, such security has a rating lower than "Baa" by Moody's, lower than "BBB" by S&P or an equivalent rating by a nationally recognized statistical rating agency, or, if unrated, such security is determined by the Adviser or Subadviser to be of comparable quality.

Below investment grade securities may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. Analysis of the creditworthiness of issuers of below investment grade securities may be more complex than for issuers of higher quality debt securities, and the Fund's ability to achieve its investment objectives may, to the extent the Fund is invested in below investment grade securities, be more dependent upon such creditworthiness analysis than would be the case if the Fund was investing in higher quality securities. An issuer of these securities has a currently identifiable vulnerability to default and the issuer may be in default or there may be present elements of danger with respect to principal or interest.

Below investment grade securities, or equivalent unrated securities, generally involve greater volatility of price and risk of loss of income and principal and may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities. The prices of these lower grade securities are more sensitive to negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher grade securities. Yields on below investment grade securities will fluctuate if the issuer of below investment grade securities defaults, and the Fund may incur additional expenses to seek recovery.

The secondary markets in which below investment grade securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect the price at which the Fund could sell a particular below investment grade security when necessary to meet liquidity needs or in response to a specific economic event, such as a deterioration in the creditworthiness of the issuer, and could adversely affect and cause large fluctuations in the net asset value of the Fund's shares. Adverse publicity and investor perceptions may decrease the values and liquidity of high yield securities.

It is reasonable to expect that any adverse economic conditions could disrupt the market for below investment grade securities, have an adverse impact on the value of those securities and adversely affect the ability of the issuers of those securities to repay principal or interest on those securities. New laws and proposed new laws may adversely impact the market for below investment grade securities.

Call/Put Spread Risk. The Fund may enter into options on indexes. Options on indexes provide the holder with the right to make or receive a cash settlement upon exercise of the option. The amount of the settlement will equal the difference between the closing price of the index at the time of exercise and the exercise price of the option expressed in dollars, times a specified multiple. Buying and selling call and put option spreads on the SPX Index involves the risk of loss of the premium when buying, can limit upside participation and increase downside losses.

Convertible Securities Risk. Although to a lesser extent than with non-convertible fixed income securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. In addition, because of the conversion feature, the market value of convertible securities tends to vary with fluctuations in the market value of the underlying common stock. A unique feature of convertible securities is that as the market price of the underlying common stock declines, convertible securities tend to trade increasingly on a yield basis, and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the prices of the convertible securities tend to rise as a reflection of the value of the underlying common stock. While no securities investments are without risk, investments in convertible securities generally entail less risk than investments in common stock of the same issuer.

Counterparty Risk. The Fund will be subject to credit risk with respect to the counterparties to any derivative contracts purchased or interest rate transactions entered into by the Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

Credit Risk. Credit risk is the risk that a security in the Fund's portfolio will decline in price or the issuer will fail to make dividend, interest or principal payments when due because the issuer of the security experiences a decline in its financial status. Preferred securities normally are subordinated to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income and claim to corporate assets, and therefore will be subject to greater credit risk than debt instruments.

Cybersecurity Risk. With the increased use of technologies such as the Internet to conduct business, the Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the digital information systems, networks or devices of the Fund or its service providers (including, but not limited to, the Fund's Adviser, Subadvisers, transfer agent, custodian, administrators and other financial intermediaries) through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal shareholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Fund. Any such cybersecurity breaches or losses of service may cause the Fund to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. While the Fund and its service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for. Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

Debt Risk. Debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Default Risk. Default risk refers to the risk that a company that issues a debt security or engages in other forms of borrowing will be unable to fulfill its obligations to repay principal and interest. The lower the debt is rated, the greater the default risk.

Derivatives Risk. Derivative transactions are contracts whose value is derived from the value of an underlying asset, index or rate, including futures, options, non-deliverable forwards, forward foreign currency exchange contracts and swap agreements. The Fund may use derivatives to hedge against factors that affect the value of its investments, such as interest rates and foreign currency exchange rates. The Fund may also utilize derivatives as part of its overall investment technique to gain or lessen exposure to various securities, markets, volatility, dividend payments and currencies.

Derivatives typically involve greater risks than traditional investments. It is generally more difficult to ascertain the risk of, and to properly value, derivative contracts. Many derivatives, and particularly those that are privately negotiated, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. Derivatives are usually less liquid than traditional securities and are subject to counterparty risk (the risk that the other party to the contract will default or otherwise not be able to perform its contractual obligations). In addition, some derivatives transactions may involve potentially unlimited losses.

Derivative contracts entered into for hedging purposes may also subject the Fund to losses if the contracts do not correlate with the assets, indexes or rates they were designed to hedge. Gains and losses derived from hedging transactions are, therefore, more dependent upon the Adviser's and Subadviser's ability to correctly predict the movement of the underlying asset prices, indexes or rates.

As an investment company registered with the SEC, the Fund is required to identify on its books (often referred to as "asset segregation") liquid assets, or engage in other SEC-approved measures, to "cover" open positions with respect to certain kinds of derivative instruments. If the Fund invests in such instruments and has insufficient cash to meet such requirements, it may have to sell other investments, including at disadvantageous times.

Governments, agencies and/or other regulatory bodies may adopt or change laws or regulations that could adversely affect the Fund's ability to invest in derivatives as the Subadviser intends. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), among other things, grants the Commodity Futures Trading Commission (the "CFTC") and SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the over-the-counter ("OTC") derivatives market. The implementation of the Dodd-Frank Act could adversely affect the Fund by placing limits on derivative transactions, and/or increasing transaction and/or regulatory compliance costs. For example, the CFTC has adopted rules that apply a new aggregation standard for position limit purposes, which may further limit the Fund's ability to trade futures contracts and swaps.

There are also special tax rules applicable to certain types of derivatives, which could affect the amount, timing and character of the Fund's income or loss and hence of its distributions to shareholders by causing holding period adjustments, converting short-term capital losses into long-term capital losses, and accelerating the Fund's income or deferring its losses. The Fund's use of derivatives may also increase the amount of taxes payable by shareholders or the resources required by the Fund or its Adviser and/or Subadviser(s) to comply with particular regulatory requirements.

Emerging Markets Risk. The Fund may invest in securities of issuers located or doing business in developing or emerging market countries. Foreign securities risk may be particularly high to the extent that the Fund invests in securities of issuers located in or securities denominated in currencies of emerging market countries. These investments entail all of the risks of investing in securities of foreign issuers noted above, but to a heightened degree. These heightened risks include:

- greater risks of expropriation, confiscatory taxation, nationalization and less social, political and economic stability;
- the smaller size of the market for such securities and a lower volume of trading, resulting in a lack of liquidity and in price volatility; and
- certain national policies which may restrict the Fund's investment opportunities, including restrictions on investing in issuers or industries deemed sensitive to relevant national interest.

The economies of individual emerging market countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Governments of many emerging market countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions could have a significant effect on market conditions and on the prices and yields of securities in the Fund's portfolio. Moreover, the economies of developing countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

Investments in emerging markets may also be exposed to an extra degree of custodial and/or market risk, especially where the securities purchased are not traded on an official exchange or where ownership records regarding the securities are maintained by an unregulated entity (or even the issuer itself).

Investment in certain foreign securities is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in certain securities and increase the costs and expenses of the Fund. Certain foreign countries require governmental approval prior to investments by foreign persons, limit the amount of investment by foreign persons in a particular issuer, limit the investment by foreign persons only to a specific class of securities of an issuer that may have less advantageous rights than the classes available for purchase by domiciliaries of the countries and/or impose additional taxes on foreign investors.

Environmental Risk. In connection with the ownership (direct or indirect), operation, management and development of real properties that may contain hazardous or toxic substances, a portfolio company may be considered an owner or operator of such properties or as having arranged for the disposal or treatment of hazardous or toxic substances and, therefore, may be potentially liable for removal or remediation costs, as well as certain other costs, including governmental fines and liabilities for injuries to persons and property. The existence of any such material environmental liability could have a material adverse effect on the results of operations and cash flow of any such portfolio company and, as a result, the amount available to make distributions on the shares could be reduced.

Equity Securities Risk. The value of the U.S. and foreign equity securities in which the Fund invests will be affected by changes in the stock markets, which may be the result of domestic or international political or economic news, changes in interest rates or changing investor sentiment. At times, stock markets can be volatile and stock prices can change substantially. Equity securities risk will affect the Fund's net asset value per share, which will fluctuate as the value of the securities held by the Fund changes. Not all stock prices change uniformly or at the same time and not all stock markets move in the same direction at the same time. Other factors affect a particular stock's prices, such as poor earnings reports by an issuer, loss of major customers, major litigation against an issuer or changes in governmental regulations affecting an industry. Adverse news affecting one company can sometimes depress the stock prices of all companies in the same industry. Not all factors can be predicted. While equity securities have historically generated higher average returns than fixed income securities, equity securities have also experienced significantly more volatility in those returns. An adverse event, such as an unfavorable earnings report, may depress the value of equity securities held by the Fund. Also, the prices of equity securities are sensitive to general movements in the stock market. A drop in the stock market may depress the price of equity securities held by the Fund.

Large Market Capitalization Companies Risk. The value of investments in larger companies may not rise as much as investments in smaller companies, and larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.

Small and Medium Market Capitalization Companies Risk. Small and medium-sized companies often have narrower markets, fewer products or services to offer, and more limited managerial and financial resources than larger, more established companies. As a result, the performance of small and medium-sized companies may be more volatile, and they may face a greater risk of business failure, which could increase the volatility and risk of loss to the fund.

Foreign Currency Risk. Although the Fund will report its net asset value and pay dividends in U.S. dollars, foreign securities often are purchased with, and make dividend or interest payments in, foreign currencies. Therefore, when the Fund invests in foreign securities, it will be subject to foreign currency risk, which means that the Fund's net asset value could decline as a result of changes in the exchange rates between foreign currencies and the U.S. dollar. Certain foreign countries may impose restrictions on the ability of issuers of foreign securities to make payments of principal and interest to investors located outside the country, due to blockage of foreign currency exchanges or otherwise.

Foreign Securities Risk. Investing in foreign securities involves certain risks not involved in domestic investments, including, but not limited to:

- adverse foreign economic, financial, political and social developments including the possibility of expropriation, nationalization, and confiscatory taxation risks;
- different legal systems and less government supervision;
- the possible imposition of exchange controls or other foreign governmental laws, restrictions or regulation changes;
- restrictions on receiving the investment proceeds from a foreign country, foreign tax laws and potential difficulties in enforcing contractual obligations;
- changes in currency exchange rates;
- less publicly available information about companies due to less rigorous disclosure or accounting standards or regulatory practices;
- high and volatile rates of inflation;
- fluctuating interest rates;
- different accounting, auditing and financial record-keeping standards and requirements; and
- in some cases, less efficient settlement practices, including extended clearance and settlement periods.

Investments in securities of foreign issuers generally will be denominated in foreign currencies. Accordingly, the value of the Fund's assets, as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency exchange rates and in exchange control regulations. The Fund may incur costs in connection with conversions between various currencies.

Certain foreign governments levy withholding or other taxes on dividend and interest income. Although in some countries a portion of these taxes are recoverable, the non-recovered portion of foreign withholding taxes will reduce the income received from investments in such countries.

Investments in foreign securities will expose the Fund to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. Certain countries in which the Fund may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate fluctuations, large amounts of external debt, balance of payments and trade difficulties and extreme poverty and unemployment. The cost of servicing external debt will generally be adversely affected by rising international interest rates because many external debt obligations bear interest at rates which are adjusted based upon international interest rates. In addition, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as the growth of gross domestic product, the rates of inflation, capital reinvestment, self-sufficiency and balance of payments position.

From time to time, certain of the companies in which the Fund expects to invest may operate in, or have dealings with, countries subject to sanctions or embargoes imposed by the U.S. government and the United Nations and/or countries identified by the U.S. government as state sponsors of terrorism. A company may suffer damage to its reputation if it is identified as a company which operates in, or has dealings with, countries subject to sanctions or embargoes imposed by the U.S. government and the United Nations and/or countries identified by the U.S. government as state sponsors of terrorism. As an investor in such companies, the Fund will be indirectly subject to those risks.

These risks are more pronounced to the extent that the Fund invests a significant portion of its non-U.S. investments in one region, or in smaller, emerging markets.

As a result of these potential risks, the Adviser or Subadviser may determine that, notwithstanding otherwise favorable investment criteria, it may not be practicable or appropriate to invest in a particular country. The Fund may invest in countries in which foreign investors, including the Adviser or Subadviser, have had no or limited prior experience.

Industry/Sector Concentration Risk. The value of the investments of a fund that focuses its investments in a particular industry or market sector will be highly sensitive to financial, economic, political and other developments affecting that industry or market sector, and conditions that negatively impact that industry or market sector will have a greater impact on the fund as compared with a fund that does not have its holdings concentrated in a particular industry or market sector. Events negatively affecting the market sectors in which the Fund has invested are therefore likely to cause the value of the Fund's shares to decrease, perhaps significantly. At times, the performance of investments in those industries may lag the performance of other sectors or the market as a whole.

Industrials Sector Risk. Industries in the industrials sector include companies engaged in the production, distribution or service of products or equipment for manufacturing, agriculture, forestry, mining, and construction. Prices for investments in the types of companies included in the industrial sector are affected by supply and demand both for their specific product or service and for industrial sector products in general. Government regulation, world events and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities will likewise affect the performance of these companies. Transportation investments, a component of the industrials sector, are cyclical and have occasional sharp price movements which may result from changes in the economy, fuel prices, labor agreement and insurance costs.

Utilities Sector Risk. Public utility companies are subject to intrinsic risks, including difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs during an inflationary period, restrictions on operations and increased costs and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, increased costs and reduced availability of certain types of fuel, occasional reduced availability and high costs of natural gas and other fuels, the effects of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of nuclear facilities for electric generation, including, among other considerations, the problems associated with the use of radioactive materials, the disposal of radioactive wastes, shutdown of facilities or release of radiation resulting from catastrophic events, disallowance of costs by regulators which may reduce profitability, and changes in market structure that increase competition. There are substantial differences among the regulatory practices and policies of various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time.

Inflation/Deflation Risk. Inflation risk is the risk that the value of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the common shares and distributions can decline and the dividend payments on any preferred shares issued by the Fund, or interest payments on any borrowings may increase. In addition, during any periods of rising inflation, the dividend rates for any preferred shares issued by the Fund would likely increase, which would tend to further reduce returns to holders of common shares. Deflation risk is the risk that prices throughout the economy may decline over time, which is the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

Infrastructure Investment Risk. Infrastructure-related entities are subject to a variety of factors that may adversely affect their business or operations including high interest costs in connection with capital construction programs, costs associated with environmental and other regulations, the effects of economic slowdown and surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Additionally, infrastructure-related entities may be subject to regulation by various governmental authorities and may also be affected by governmental regulation of rates charged to customers, service interruption due to environmental, operational or other mishaps and the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards.

Interest Rate Risk. Interest rate risk is the risk that fixed income securities such as preferred and debt securities, and to a lesser extent dividend paying common stocks, will decline in value because of changes in market interest rates. Generally, when market interest rates rise, the market value of such securities will decline, and vice versa. The Fund's investment in such securities means that the net asset value and market price of the common shares may tend to decline if market interest rates rise.

During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security. This is known as extension risk. During periods of declining interest rates, an issuer may be able to exercise an option to prepay principal earlier than scheduled, which is generally known as call or prepayment risk. If this occurs, the Fund may be forced to reinvest in lower yielding securities. This is known as reinvestment risk. Preferred and debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Market interest rates for investment grade fixed income securities in which the Fund may invest have declined significantly and the United States continues to experience historically low interest rate levels. A low interest rate environment may have an adverse impact on the Fund's ability to provide a positive yield to its shareholders and pay expenses out of Fund assets because of the low yields from the Fund's portfolio investments.

However, continued economic recovery and the cessation of the quantitative easing program increase the risk that interest rates will rise in the near future and that the Fund will face a heightened level of interest rate risk. Federal Reserve policy changes may expose fixed-income and related markets to heightened volatility and may reduce liquidity for certain Fund investments, which could cause the value of the Fund's investments and the Fund's share price to decline or create difficulties for the Fund in disposing of investments. A fund that invests in derivatives tied to fixed-income markets may be more substantially exposed to these risks than a fund that does not invest in derivatives. The Fund could also be forced to liquidate its investments at disadvantageous times or prices, thereby adversely affecting the Fund. The Fund may experience increased portfolio turnover because of these policy changes, which will increase the costs that the Fund incurs and lower the Fund's performance.

Interest Rate Transactions Risk. The Fund may enter into an interest rate swap or cap transaction to attempt to protect itself from increasing dividend or interest expenses resulting from increasing short- term interest rates. A decline in interest rates may result in a decline in net amounts receivable by the Fund from the counterparty under the interest rate swap or cap (or an increase in the net amounts payable by the Fund to the counterparty under the swap), which may result in a decline in the net asset value of the Fund.

Investment Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest.

Leverage Risk. The Fund reserves the flexibility to issue preferred shares, borrow money or issue debt securities. Leverage risk is the risk associated with the issuing of preferred shares, borrowing of funds or other investment techniques that may expose the Fund to financial leverage. Preferred shares issued by the Fund or other Fund indebtedness (other than for temporary or emergency purposes) would be considered "senior securities" for purposes of the 1940 Act and would constitute leverage. Leverage creates an opportunity for an increased return to common shareholders, but it is a speculative technique in that it will increase the Fund's exposure to declines in cash flows from and decreases in market values of the Fund's assets. Unless the income and capital appreciation, if any, on securities acquired with funds received from leverage exceeds the cost of the leverage, the use of leverage will diminish the investment performance of the common shares. Successful use of leverage depends on the Adviser's or Subadviser's ability to predict correctly interest rates and market movements, and there is no assurance that the use of a leveraging strategy will be successful during any period in which it is used.

Capital raised through borrowings or the issuance of preferred shares will be subject to interest costs or dividend payments, which could exceed the income and appreciation on the securities purchased with the proceeds of such borrowing or issuances of preferred shares. The issuance of preferred shares by the Fund would involve offering expenses and other costs, including dividend payments, which would be borne by the common shareholders. The Fund may also be required to pay fees in connection with borrowings (such as loan syndication fees or commitment and administrative fees in connection with a line of credit), and it might be required to maintain minimum average balances with a bank lender, either of which would increase the cost of borrowing over the stated interest rate. Fluctuations in interest rates on borrowings and short-term debt or in the dividend rates on any preferred shares issued could reduce cash available for dividends on common shares. Increased operating costs, including the financing cost associated with any leverage, may reduce the Fund's total return.

The rights of lenders and holders of preferred shares and debt securities issued by the Fund will be senior to the rights of the holders of common shares with respect to the payment of dividends or upon liquidation. Holders of preferred shares will have voting rights in addition to and separate from the voting rights of common shareholders.

The terms of any preferred shares issued by the Fund, borrowing or other indebtedness may impose asset coverage requirements, dividend limitations and voting right requirements on the Fund that are more stringent than those imposed under the 1940 Act. Such terms may also impose special restrictions on the Fund's portfolio composition or on its use of various investment techniques or strategies. The Fund may be further limited in any of these respects by guidelines established by any rating agencies that issue ratings for debt securities or preferred shares issued by the Fund. These requirements may have an adverse effect on the Fund. For example, limitations on the Fund's ability to pay dividends or make other distributions could impair its ability to maintain its qualification for treatment as a regulated investment company for U.S. federal tax purposes. To the extent necessary, the Fund intends to repay indebtedness or to purchase or redeem preferred shares to maintain the required asset coverage. Doing so may require the Fund to liquidate portfolio securities at a time when it would not otherwise be desirable to do so. Nevertheless, it is not anticipated that the 1940 Act requirements, the terms of any senior securities or the rating agency guidelines will impede the Adviser or Subadviser in managing the Fund's portfolio in accordance with the Fund's investment objectives and policies. For additional information about leverage, see "Leverage."

While the Fund may from time to time consider increasing or reducing leverage in response to actual or anticipated changes in market conditions and interest rates there can be no assurance that the Fund's leverage strategy will benefit the holders of common shares. Changes in market conditions and the future direction of interest rates are very difficult to predict accurately. If the Fund were to change its leverage strategy based on a prediction about future market conditions and/or changes to interest rates, and that prediction turned out to be incorrect, the leverage strategy would likely negatively impact the income and/or total returns to holders of common shares relative to the circumstance where the Fund had not changed its leverage strategy.

The Fund may also enter into derivative transactions, including total return swaps, that may in certain circumstances produce effects similar to leverage. Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When the Fund uses derivatives for leverage, investments in the Fund will tend to be more volatile, resulting in larger gains or losses in response to market changes. The Fund manages some of its derivative positions by segregating or "earmarking" an amount of cash or liquid securities equal to the face value of the positions. The Fund may also offset derivative positions against one another or against other assets to manage effective market exposure resulting from derivatives in its portfolio. To the extent that the Fund does not segregate or "earmark" liquid assets or otherwise cover its obligations under such transactions, such transactions will be treated as senior securities representing indebtedness ("borrowings") for purposes of the requirement under the 1940 Act that the Fund may not enter into any such transaction if the Fund's borrowings would thereby exceed 33 ⅓% of its total assets. In addition, to the extent that any offsetting positions do not behave in relation to one another as expected, the Fund may perform as if it is leveraged.

Some of the Fund's portfolio securities, including the securities of real estate companies and other investment companies and asset-backed securities, may also be leveraged and will therefore be subject to the leverage risks described above. However, the restrictions of the 1940 Act will likely not apply to any leverage employed by the Fund's portfolio securities. This additional leverage may, under certain market conditions, reduce the net asset value of the Fund's common shares and the returns to the holders of common shares.

Management Risk. The Fund is subject to management risk because it is an actively managed investment portfolio with broad investment mandates. The Adviser or Subadviser will apply investment techniques and risk analysis in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Market Risk. Your investment in common shares represents an indirect investment in the common stock, preferred securities and other securities owned by the Fund. The value of these securities, like other investments, may move up or down, sometimes rapidly and unpredictably. Your common shares at any point in time may be worth less than what you invested, even after taking into account the reinvestment of Fund dividends and distributions. The Fund may utilize leverage, which magnifies the market risk. See "Leverage Risk" above.

Market Volatility Risk. The value of the securities in which the Fund invests may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be temporary or may last for extended periods. Instability in the financial markets has exposed the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments that it holds. In response to financial markets that experienced extreme volatility, and in some cases a lack of liquidity, the U.S. Government has taken a number of unprecedented actions, including acquiring distressed assets from financial institutions and acquiring ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear. Additional legislation or government regulation may also change the way in which the Fund itself is regulated, which could limit or preclude the Fund's ability to achieve its investment objective.

Mortgage-Related and Other Real Estate Asset-Backed Securities Risk. Many of the risks of investing in CMBS, CRE CDOs and other real estate asset-backed securities reflect the risks of investing in the real estate securing the underlying mortgage loans. These risks reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make loan payments, and the ability of a property to attract and retain tenants. The value of CMBS, CRE CDOs and other real estate asset-backed securities may also change due to shifts in the market's perception of issuers and regulatory or tax changes adversely affecting the mortgage securities market as a whole.

The value of some mortgage- or asset-backed securities, including CMBS and CRE CDOs, may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities expose the Fund to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

In addition to the normal risks generally associated with real estate markets and the other risks discussed in this section, CMBS and CRE CDOs are also subject to several risks created through the securitization process. Special servicer conflicts of interest arise due to the fact that junior note holders, who are represented by a special servicer who deals with delinquent loans in the CMBS collateral pool, benefit from a postponement of the writedown of a loan because it results in loss of principal and interest payable. Most CMBS transactions address this conflict with specific guidelines regarding write-downs of specially serviced loans. Subordinated classes of securities ("Subordinated CMBS") and subordinated tranches of CRE CDOs are paid interest only to the extent that there are funds available to make payments. To the extent the collateral pool includes a large percentage of delinquent loans, there is a risk that interest payments on Subordinated CMBS and subordinate CRE CDOs will not be fully paid. Subordinated CMBS and subordinate CRE CDOs are also subject to greater credit risk than those CMBS and CRE CDOs that are more highly rated.

Operational Risk. An investment in the Fund, like any mutual fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel and errors caused by third-party service providers. The occurrence of any of these failures, errors or breaches could result in a loss of information, regulatory scrutiny, reputational damage or other events, any of which could have a material adverse effect on the Fund. While the Fund seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to the Fund.

Preferred Securities Risk. There are special risks associated with investing in preferred securities, including:

Deferral and Omission. Preferred securities may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred security that is deferring or omitting its distributions, the Fund may be required to report income for U.S. federal tax purposes although it has not yet received such income.

Subordination. Preferred securities are generally subordinated to bonds and other debt instruments in a company's capital structure in terms of having priority to corporate income, claims to corporate assets and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments.

Liquidity. Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.

Limited Voting Rights. Generally, traditional preferred securities offer no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights.

Call Risk. Preferred securities may be redeemed beginning on their call date. If securities are called, the Fund may be forced to reinvest in securities with a lower yield, which would result in a decline in income.

Special Redemption Rights. In certain varying circumstances, an issuer of preferred securities may redeem the securities prior to a specified date. For instance, for certain types of preferred securities, a redemption may be triggered by a change in U.S. federal income tax or securities laws. As with call provisions, a redemption by the issuer may negatively impact the return of the security held by the Fund.

New Types of Securities. From time to time, preferred securities have been, and may in the future be, offered having features other than those described herein. The Fund reserves the right to invest in these securities if the Adviser or Subadviser believes that doing so would be consistent with the Fund's investment objectives and policies. Since the market for these instruments would be new, the Fund may have difficulty disposing of them at a suitable price and time. In addition to limited liquidity, these instruments may present other risks, such as high price volatility.

Reinvestment Risk. The Fund, directly and/or through its investment in debt securities, will be exposed to reinvestment risk. During periods of declining interest rates or for other purposes, borrowers may exercise their option to repay principal earlier than scheduled. For fixed-income securities, such payments often occur during periods of declining interest rates, forcing reinvestment in lower yielding securities. Non-investment grade securities frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met ("call protection"). An issuer may redeem a non-investment grade security if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Restricted and Illiquid Securities Risks. Illiquid securities may be difficult to dispose of at a fair price at the times when the Fund believes it is desirable to do so. The market price of illiquid securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of illiquid securities. Illiquid securities are also more difficult to value and the Adviser's or Subadviser's judgment as to value will often be given greater weight than market quotations, if any exist. If market quotations are not available, illiquid securities will be valued in accordance with procedures established by the Fund's Board, including the use of outside pricing services. Investment of the Fund's capital in illiquid securities may restrict the Fund's ability to take advantage of market opportunities. The risks associated with illiquid securities may be particularly acute in situations in which the Fund's operations require cash and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid securities.

Restricted securities have contractual restrictions on their public resale, which may make it more difficult to value them, may limit the Fund's ability to dispose of them and may lower the amount the Fund could realize upon their sale. To enable the Fund to sell its holdings of a restricted security not registered under the 1933 Act, the Fund may have to cause those securities to be registered. The expenses of registering restricted securities may be negotiated by the Fund with the issuer at the time the Fund buys the securities. When the Fund must arrange registration because the Fund wishes to sell the security, a considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that the Fund could sell it. The Fund would bear the risks of any downward price fluctuation during that period.

Risk of Market Price Discount from Net Asset Value. Shares of closed-end investment companies frequently trade at a discount from their NAV. This risk is separate and distinct from the risk that NAV could decrease as a result of investment activities and may be greater for investors expecting to sell their common shares in a relatively short period following completion of this offering. The Fund cannot predict whether its common shares will trade at, above, or below NAV. NAV will be reduced immediately following the offering by the sales load and the amount of organizational and offering expenses paid by the Fund.

Risk Connected with Return of Capital Distributions. In some years the Fund has made distributions to shareholders that significantly exceeded the Fund's earnings and profits. In such event, when the Fund does not have positive accumulated earnings and profits, the excess distributions will be a non-taxable return of capital to a shareholder to the extent the distributions do not exceed the shareholder's tax basis in its Fund shares. A return of capital may occur, for example, when some or all of the money that a shareholder invested in the Fund is paid back to a shareholder. Such a non-taxable return of capital distributions will reduce the shareholder's tax basis in his or her Fund shares, thereby increasing the shareholder's potential tax liability on a subsequent sale of his or her shares. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

When the Fund distributes amounts in excess of its net investment income and net realized capital gains, such distributions also decrease the Fund's total assets and, therefore, have the likely effect of increasing the Fund's expense ratio. In addition, in order to make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action.

Tax Risk. The Fund's investment program and the tax treatment of the Fund's distributions may be affected by IRS interpretations of the Code and future changes in U.S. federal tax laws and Treasury Regulations.

Rules governing the U.S. federal income tax aspects of certain derivatives, swap agreements, including credit default swaps and other credit derivatives are in a developing stage and are not entirely clear in certain respects. Accordingly, while the Fund intends to account for such transactions in a manner it deems to be appropriate, the IRS might not accept such treatment. If it did not, the status of the Fund as a regulated investment company might be affected. If the Fund were to fail to qualify as a regulated investment company in any year, then the Fund would be subject to federal income tax on its net income and capital gains at regular corporate income tax rates.

The Fund intends to monitor developments in this area. Certain requirements that must be met under the Code in order for the Fund to qualify as a regulated investment company may limit the extent to which the Fund will be able to engage in certain transactions involving derivatives.

The tax treatment of swap agreements and other derivatives may also be affected by future Treasury Regulations and/or guidance issued by the IRS that could affect the character and/or the amount of the Fund's taxable income or gains. In such an event the amount of the Fund's taxable distributions may either increase or decrease.

In addition, the Fund may invest in preferred securities or other securities the federal income tax treatment of which may not be clear or may be subject to recharacterization by the IRS. It could be more difficult for the Fund to comply with the tax requirements applicable to regulated investment companies if the tax characterization of the Fund's investments or the tax treatment of the income from such investments were successfully challenged by the IRS. See "Taxation."

The Fund may invest in the stock of foreign corporations that may be classified under the Code as passive foreign investment companies ("PFICs"). The application of the rules relating to the taxation of investments in PFICs may affect, among other things, the character of gains and the amount of gain or loss and the timing of the recognition of income with respect to shares and may also affect the amounts that must be distributed to shareholders. Further, in some cases the Fund itself may be subject to tax as a result of investments in PFICs. The amount of distributions that would be taxed to shareholders as ordinary income may be increased substantially as compared to a fund that did not invest in PFICs.

Under the Code certain gains or losses attributable to fluctuations in foreign currency exchange rates generally are treated as ordinary income or ordinary loss that may increase or decrease the amount of the Fund's net investment income to be distributed to its shareholders as ordinary income.

U.S. Government Securities Risk. U.S. government securities generally do not involve the credit risks associated with investments in other types of debt securities, although, as a result, the yields available from U.S. government securities are generally lower than the yields available from corporate fixed-income securities. Like other debt securities, however, the values of U.S. government securities change as interest rates fluctuate. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund's NAV. Since the magnitude of these fluctuations will generally be greater at times when the Fund's average maturity is longer, under certain market conditions the Fund may, for temporary defensive purposes, accept lower current income from short-term investments rather than investing in higher yielding long-term securities.

MANAGEMENT OF THE FUND

Board of Directors

The management of the Fund, including general supervision of the duties performed by the Investment Adviser under the Investment Advisory Agreement (as described below), is the responsibility of the Fund's Board of Directors. For certain information regarding the Directors and Officers of the Fund, see "Management — Directors and Officers" in the SAI.

Investment Adviser and Subadvisers

Adviser

Virtus Investment Advisers, Inc. serves as the Fund's investment adviser. VIA is located at One Financial Plaza, Hartford, CT 06103, and is an indirect, wholly-owned subsidiary of Virtus, a publicly traded multi-manager asset management business. VIA has been an investment adviser for over 80 years and acts as the investment adviser for over 50 mutual funds and as adviser to institutional clients, with assets under management of approximately $71.8 billion as of December 31, 2021. VIA is responsible for managing the Fund's investment program and for the general operations of the Fund, including oversight of the Fund's Subadvisers and recommending their hiring, termination and replacement.

As compensation for its services to the Fund, VIA receives a fee at an annual rate of 0.70% of the Fund's average daily Managed Assets, which is calculated daily and paid monthly. "Managed Assets" is defined as the value of the total assets of the Fund minus the sum of all accrued liabilities of the Fund (other than the aggregate amount of any outstanding borrowings or other indebtedness, entered into for the purpose of leverage). For the fiscal years ended November 30, 2021, 2020 and 2019, the Fund incurred investment advisory fees of $4,221,000, $4,201,000 and $2,777,000, respectively.

Subadvisers

Duff & Phelps Investment Management Co., an affiliate of VIA and an indirect, wholly-owned subsidiary of Virtus, is the subadviser for the equity portfolio of the Fund. DPIM is located at 200 S. Wacker Drive, Suite 500, Chicago, IL 60606. DPIM acts as subadviser to mutual funds and as adviser or subadviser to closed-end mutual funds and to institutional clients. DPIM (together with its predecessor) has been in the investment advisory business for more than 70 years. As of December 31, 2021, DPIM had approximately $12.2 billion in assets under management on a discretionary basis.

Virtus Fixed Income Advisers, LLC, an affiliate of VIA and also an indirect, wholly-owned subsidiary of Virtus, is located at One Financial Plaza, Hartford, CT 06103. VFIA operates through its division Newfleet Asset Management ("Newfleet") as subadviser to the fixed income portfolio of the Fund. As of May 31, 2022, the three advisers that merged into VFIA on July 1, 2022 had approximately $37.1 billion in aggregate assets under management.

The Newfleet division of VFIA acts as subadviser to mutual funds and as adviser to institutions and individuals. As of May 31, 2022, the Newfleet division of VFIA had approximately $8.9 billion in assets under management. Newfleet Asset Management, LLC, which merged with and into VFIA on July 1, 2022, and the former portfolio management team of which now operates as the Newfleet division of VFIA, had been an investment adviser since 1989.

From the investment advisory fees paid to VIA, VIA paid the subadvisory fees to the Subadvisers at the rate of 50% of the net investment management fee based on the average daily Managed Assets managed by the Subadviser. For their services with respect to the Fund for fiscal years ended November 30, 2021, 2020 and 2019, the Subadvisers received fees of $1,625,243, $2,648,445, and $2,152,505, respectively.

The Board of Directors, including a majority of the disinterested Directors, has the responsibility under the 1940 Act to approve the continuance of the Investment Advisory Agreement and the Subadvisory Agreements. A discussion regarding the basis for the approval of this continuance is contained in the Fund's November 30, 2021 Annual Report to Shareholders.

Portfolio Managers

The Fund is managed by a portfolio manager from each Subadviser who manages the portion of the investment portfolio allocated to that Subadviser by the Adviser. Biographical information regarding each Subadviser's portfolio manager is set forth below:

DPIM

Connie M. Luecke, CFA

Ms. Luecke has been a Senior Managing Director since 2014 and Senior Vice President of DPIM since January 1998. She has been a portfolio manager for the Fund since 2011. Currently, she is Senior Portfolio Manager for the firm's Global Listed Infrastructure Strategies, and is a Co-Portfolio Manager for the Virtus Duff & Phelps Global Infrastructure Fund and the Chief Investment Officer for the DNP Select Income Fund Inc. She was a Managing Director of DPIM from 1996-1998. From 1992-1995, Ms. Luecke was employed by Duff & Phelps Investment Research Co., where she served as a Managing Director (1995), a Vice President (1994), an Assistant Vice President (1993) and an Analyst (1992). Ms. Luecke concentrates her research on the global telecommunications and transportation infrastructure industries. She is a Chartered Financial Analyst (CFA) charter holder, a member of the CFA Society of Chicago, and a past president of the Utility and Telecommunications Securities Club of Chicago. She has been working in the investment industry since 1983.

Newfleet

David L. Albrycht, CFA

David Albrycht is president and chief investment officer of Newfleet Asset Management, a division of Virtus Fixed Income Advisers, LLC. Prior to joining Newfleet in 2011, Mr. Albrycht was executive managing director and senior portfolio manager with Goodwin Capital Advisers, a former Virtus Investment Partners investment management subsidiary. He joined the Goodwin multi-sector fixed income team in 1985 as a credit analyst and has managed fixed income portfolios since 1991. He holds the Chartered Financial Analyst designation and has been working in the investment industry since 1985.

Mr. Albrycht has been a portfolio manager of the Fund and its predecessor since 2016, Virtus Newfleet Multi-Sector Short Term Bond Fund since 1993, Virtus Newfleet Multi-Sector Intermediate Bond Fund since 1994, Virtus Newfleet Senior Floating Rate Fund since 2008, and co-manager of Virtus Tactical Allocation Fund and Virtus Newfleet High Yield Fund since 2011, Virtus Newfleet Core Plus Bond Fund and Virtus Newfleet Low Duration Income Fund since 2012. He also co-manages two variable investment options and is manager of another closed-end fund, Virtus Global Multi-Sector Income Fund (NYSE: VGI). He also is a manager of three exchange-traded funds, AdvisorShares Newfleet Multi-Sector Income ETF (NYSE: MINC), Virtus Newfleet Multi-Sector Bond ETF (NFLT), and Virtus Newfleet High Yield Bond ETF (BLHY), and two offshore funds, the Virtus GF Multi-Sector Short Duration Bond Fund and Virtus GF Multi-Sector Income Fund. He is also responsible for the structuring and management of Newfleet's CLO platform.

The SAI provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers, and the Portfolio Managers' ownership of securities of the Fund.

Investment Advisory Agreement

The Investment Advisory Agreement sets forth the services to be provided by and the fees to be paid to each party, as described above. The Investment Advisory Agreement provides that the Investment Adviser's liability to the Fund and its shareholders is limited to situations involving its own willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of its reckless disregard of its duties and obligations under the Investment Advisory Agreement.

The services of the Investment Adviser to the Fund are not deemed to be exclusive, and the Investment Adviser or any affiliate thereof may provide similar services to other investment companies and other clients or engage in other activities.

The Investment Advisory Agreement obligates the Investment Adviser to provide advisory services and to pay all expenses arising from the performance of its obligations under the Investment Advisory Agreement, as well as the fees of all Directors of the Fund who are employees of the Investment Adviser or any of its affiliates. The Fund pays all other expenses incurred in the operation of the Fund including, but not limited to, interest, taxes, brokerage fees and commissions, fees of Directors who are not full-time employees of the Investment Adviser or any of its affiliates, expenses of Board, committee, and shareholders' meetings (including the cost of printing and mailing proxies), expenses of Investment Adviser personnel attending Board meetings as required, expenses of insurance premiums for fidelity and other coverage, expenses of repurchase and redemption of shares, expenses of issue and sale of shares (to the extent not borne by its underwriter(s) pursuant to an agreement with the Fund), expenses of printing and mailing stock certificates representing shares of the Fund, association membership dues, charges of custodians, transfer agents, dividend disbursing agents and financial agents, bookkeeping, auditing and legal expenses. The Fund will also pay the fees and bear the expense of registering and maintaining the registration of the Fund and its shares with the Commission, listing its shares on any exchange, and registering or qualifying its shares under state or other securities laws and the expense of preparing and mailing prospectuses and reports to shareholders. Additionally, if authorized by the Board, the Fund shall pay for extraordinary expenses and expenses of a non-recurring nature which may include, but shall not be limited to, the reasonable and proportionate cost of any reorganization or acquisition of assets and the cost of legal proceedings to which the Fund is a party.

The Investment Advisory Agreement will remain in effect from year to year if approved annually (i) by the Board of Directors of the Fund or by the holders of a majority of the Fund's outstanding voting securities, and (ii) by a majority of the Directors who are not parties to the Investment Advisory Agreement or interested persons of any such party. The Investment Advisory Agreement terminates on its assignment by either party, and may be terminated without penalty on not more than 60 days' prior written notice at the option of either party thereto, or by the affirmative vote of the majority of the outstanding voting securities.

The Fund has agreed that, in the event the Investment Advisory Agreement is terminated or at the request of the Investment Adviser, the Fund will eliminate any and all reference to "Virtus" from its name, and will not thereafter transact business in a name using the word "Virtus" in any form or combination whatsoever, or otherwise use the word "Virtus" as a part of its name. The Fund will thereafter in all prospectuses, advertising materials, letterheads, and other material designed to be read by investors or prospective investors delete from the name the word "Virtus" or any approximation thereof.

Subadvisory Agreement

The Subadvisory Agreements set forth the services to be provided by and the fees to be paid to each Subadviser. Pursuant to the Subadvisory Agreements, DPIM and Newfleet provide investment advice with respect to their relevant portion of the Fund's assets, as determined by VIA. DPIM manages the equity portion of the Fund's portfolio and Newfleet manages the fixed income portion of the Fund's portfolio.

For services provided by the Subadvisers to the Fund under the Subadvisory Agreements, the Investment Adviser pays the Subadvisers at the rate of 50% of the net investment management fee received by the Investment Adviser from the Fund, based on the average daily Managed Assets managed by the Subadviser, payable monthly in arrears.

Each Subadvisory Agreement will remain in effect from year to year if it has been approved annually (i) by the Board of Directors of the Fund, and (ii) by a majority of the Directors who are not parties to the Subadvisory Agreement or interested persons of any such party. The Subadvisory Agreement terminates on its assignment by either party, and may be terminated without penalty on not more than 60 days' prior written notice at the option of the Fund's Board of Directors, or by the affirmative vote of a majority of the Fund's outstanding voting securities. In addition, either the Investment Adviser or the Subadviser has the right not to renew the Subadvisory Agreement by giving 60 days' prior written notice to the other party.

Administrator

Virtus Fund Services, LLC ("VFS"), an indirect wholly-owned subsidiary of Virtus and an affiliate of VIA, serves as administrator to the Fund. As the Fund's administrator, VFS generally assists in the administration of the Fund's day to day corporate affairs, subject to the overall authority of the Fund's Board of Directors

The Fund pays the administrator an asset-based fee of 0.10% per annum calculated on average daily Managed Assets, which is calculated daily and paid monthly. For the fiscal years ended November 30, 2021, 2020 and 2019, the Fund incurred administrative fees (net of any applicable waivers) of $603,000, $600,000 and $331,000, respectively.

Additional Risks Associated with Investment Techniques and Fund Operations

In addition to the Principal Investment Strategies and the risk factors described above, the Fund may engage in additional investment techniques that present additional risks to the Fund. Those additional investment techniques in which the Fund may engage and their risks are indicated below, although other techniques may be utilized from time to time. Many of the additional investment techniques that the Fund may use, as well as other investment techniques that are relied upon to a lesser degree, are more fully described in the SAI.

Commercial Mortgage Loan Risk. Commercial mortgage loans are subject to risks of delinquency and foreclosure and risks of loss that may be greater than similar risks associated with loans made on the security of single family residential property.

The ability of a borrower to repay a loan secured by a property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expenses or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, terrorism, social unrest and civil disturbances.

In the event of any default under a mortgage loan held directly by the Fund, the Fund will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have an adverse effect on the Fund's cash flow from operations and limit amounts available for distribution to shareholders. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law. Foreclosure of a mortgage loan can be an expensive and lengthy process which could have a substantial negative effect on the Fund's anticipated return on the foreclosed mortgage loan.

Investments in mezzanine loans involve a higher degree of risk than long-term senior mortgage lending secured by income producing real property because the investment may become unsecured as a result of foreclosure by the senior lender. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, the Fund may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy the Fund's mezzanine loan. If a borrower defaults on a mezzanine loan or debt senior to the Fund's loan, or in the event of a borrower bankruptcy, the Fund's mezzanine loan will be satisfied only after the senior debt. As a result, the Fund may not recover some or all of its investment. In addition, mezzanine loans may have higher loan-to-value ratios than conventional mortgage loans, resulting in less equity in the real property and increasing the risk of loss of principal.

Foreign Currency Hedging Risk. The Fund may, from time to time, seek to protect the value of some portion or all of its portfolio holdings against currency risks by engaging in currency hedging transactions. Such transactions may include entering into forward currency exchange contracts, currency futures contracts and options on such futures contracts, as well as purchasing put or call options on currencies, in U.S. or foreign markets. Currency hedging involves special risks, including possible default by the other party to the transaction, illiquidity and, to the extent the Adviser's or Subadviser's view as to certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if they had not been used. In addition, in certain countries in which the Fund may invest, currency hedging opportunities may not be available.

Short Sales Risk. The Fund may sell securities short as part of its overall portfolio management strategies involving the use of derivative instruments and to offset potential declines in long positions in similar securities. A short sale is a transaction in which the Fund sells a security it does not own or have the right to acquire, or that it owns but does not wish to deliver, in anticipation that the market price of that security will decline. A short sale is "against the box" to the extent the Fund contemporaneously owns, or has the right to obtain at no added cost, securities identical to those sold short. All other short sales are commonly referred to as "naked" short sales.

When the Fund makes a short sale, the broker-dealer through which the short sale is made must borrow the security sold short and deliver it to the party purchasing the security. The Fund is required to make a margin deposit in connection with such short sales; the Fund may have to pay a fee to borrow particular securities and will often be obligated to pay over any dividends and accrued interest on borrowed securities. If the price of the security sold short increases between the time of the short sale and the time the Fund covers its short position, the Fund will incur a loss; conversely, if the price declines, the Fund will realize a capital gain. Any gain will be decreased, and any loss increased, by the transaction costs described above. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged.

If the Fund sells securities short against the box, it may protect unrealized gains, but will lose the opportunity to profit on such securities if the price rises. If the Fund engages in naked short sales, the Fund's risk of loss could be as much as the maximum attainable price of the security (which could be limitless) less the price paid by the Fund for the security at the time it was borrowed.

DISTRIBUTIONS

Distributions are recorded by the Fund on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from U.S. GAAP.

The Fund has a Managed Distribution Plan which currently provides for the Fund to make a monthly distribution of $0.08 per share. Distributions may represent earnings from net investment income, realized capital gains, or, if necessary, return of capital. Shareholders should not draw any conclusions about the Fund's investment performance from the terms of the Fund's Managed Distribution Plan.

The Fund had capital loss carryovers in the amount of $6,220,000 as of November 30, 2021. Under current tax law, foreign currency and capital losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended November 30, 2021, the Fund deferred $379,000 of post-October foreign currency and capital losses. The Fund had total 2021 distributions of $45.7 million of which $11.3 million was ordinary income and $34.4 million was deemed return of capital.

Capital loss carryovers will reduce or, possibly, eliminate the Fund's taxable capital gains in the year(s) to which such losses are carried, but will not reduce the Fund's current earnings and profits in such year(s). Consequently, a greater portion of the Fund's dividend distributions in the year(s) to which the Fund carries and applies its capital loss carryovers may be taxable to shareholders as ordinary income dividends than would be the case if the Fund did not have capital loss carryovers. Moreover, to the extent that such ordinary income dividends are paid out of capital gains or other non-dividend income of the Fund, they might not qualify for the 15% preferential tax rate.

The Fund also might make distributions to shareholders that exceed the Fund's current earnings and profits. In that event, because the Fund does not have positive accumulated earnings and profits, the excess distributions will be a non-taxable return of capital to a shareholder to the extent the distributions do not exceed the shareholder's tax basis in its Fund shares. A return of capital may occur, for example, when some or all of the money that a shareholder invested in the Fund is paid back to a shareholder. Such a non-taxable return of capital distributions will reduce the shareholder's tax basis in his or her Fund shares, thereby increasing the shareholder's potential tax liability on a subsequent sale of his or her shares. Pursuant to the requirements of the 1940 Act and other applicable laws, a notice will accompany each monthly distribution with respect to the estimated source of the distribution made. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

In the event the Fund distributes amounts in excess of its net investment income and net realized capital gains, such distributions will decrease the Fund's total assets and, therefore, have the likely effect of increasing the Fund's expense ratio. In addition, in order to make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action.

The amounts and sources of distributions reported in Section 19(a) notices under the 1940 Act are only estimates and are not provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during its entire fiscal year and may be subject to changes based on tax regulations. The Fund will send shareholders a Form 1099-DIV for the calendar year that will tell shareholders how to report distributions for federal income tax purposes.

Shares purchased pursuant to the Offer will be issued after the record date for the monthly distributions declared in August and September of 2022, and, accordingly, the Fund will not pay a monthly distribution with respect to such Shares until the distribution to be declared and paid in the next month, unless the Offer is extended.

AUTOMATIC REINVESTMENT AND CASH PURCHASE PLAN

It is the policy of the Fund to automatically reinvest distributions payable to shareholders. A "registered" shareholder automatically becomes a participant in the Fund's Automatic Reinvestment and Cash Purchase Plan (the "Plan"). The Plan authorizes the Fund to credit all shares of common stock to participants upon a distribution regardless of whether the shares are trading at a discount or premium to the net asset value. Registered shareholders may terminate their participation and receive distributions in cash by contacting Computershare Trust Company, N.A. (the "Plan Administrator"). The termination will become effective with the next distribution if the Plan Administrator is notified at least 7 business days prior to the distribution payment date. Registered shareholders that wish to change their distribution option from cash payment to reinvest may do so by contacting the Fund at 1-866-270-7788. In the case of banks, brokers, or other nominees which hold shares for the beneficial owner, the Plan Administrator will administer the Plan based on the information provided by the bank, broker or nominee. Shareholders whose common shares are held in the name of a bank, a broker or nominee should contact the bank, broker or nominee to ensure that their account is properly represented. If necessary, shareholders may have their shares taken out of the name of the broker, bank or nominee and register them in their own name.

When a distribution is declared, nonparticipants in the plan will receive cash. Participants in the Plan will receive shares of the Fund valued as described below:

If on the payable date of the distribution, the market price of the Fund's common stock is less than the net asset value, the Plan Administrator will buy Fund shares on behalf of the Participant in the open market, on the New York Stock Exchange or elsewhere. The price per share will be equal to the weighted average price of all shares purchased, including commissions. Commission rates are currently $0.02 per share, although the rate is subject to change and may vary. If, following the commencement of purchases and before the Plan Administrator has completed its purchases, the trading price equals or exceeds the most recent net asset value of the common shares, the Plan Administrator may cease purchasing shares on the open market and the Fund may issue the remaining shares at a price equal to the greater of (a) the net asset value on the last day the Plan Administrator purchased shares or (b) 95% of the market price on such day. In the case where the Plan Administrator has terminated open market purchase and the Fund has issued the remaining shares, the number of shares received by the Participant in respect of the cash distribution will be based on the weighted average of prices paid for shares purchased in the open market and the price at which the Fund issued the remaining shares. Under certain circumstances, the rules and regulations of the Commission may require limitation or temporary suspension of market purchases of shares under the Plan. The Plan Administrator will not be accountable for its inability to make a purchase during such a period.

If on the payable date of the distribution, the market price is equal to or exceeds the net asset value, Participants will be issued new shares by the Fund at the greater of the (a) the net asset value on the payable date or (b) 95% of the market price on such date.

The automatic reinvestment of distributions will not relieve Participants of any income tax which may be payable on such distributions. A Participant in the Plan will be treated for federal income tax purposes, as having received on a payment date, a distribution in an amount equal to the cash the participant could have received instead of shares. Participants in the Plan will receive a Form 1099-DIV concerning the Federal tax status of distributions paid during the year.

Participants in the Plan will not pay any charge to have their distributions reinvested in additional shares. The Plan Administrator's fees for handling the reinvestment of distributions will be paid by the Fund. There will be no brokerage commissions for shares issued directly by the Fund in payment of distributions. However, each Participant will pay a pro rata share of brokerage commissions incurred (currently \$0.02 per share, but may vary and is subject to change) with respect to the Plan Administrator's open market purchases in connection with the reinvestment of distributions.

Participants in the Plan have the option of making additional cash payments for investment in shares of the Fund. Such payments can be made in any amount from \$100 per payment to \$3,000 per month. The Plan Administrator will use the funds received to purchase Fund shares in the open market on the 15th of each month or the next business day if the 15th falls on a weekend or holiday (the "Investment Date"). The purchase price per share will be equal to the weighted average price of all shares purchased on the Investment Date, including commissions. There is no charge to shareholders for Cash Purchases. The Plan Administrator's fee will be paid by the Fund. However, each participating shareholder will pay a pro rata share of brokerage commissions incurred (currently \$0.02 per share, but may vary and is subject to change) with respect to the Plan Administrator's open market purchases in connection with all cash investments. Voluntary cash payments should be sent to Computershare, P.O. Box 6006, Carol Stream, IL 60197-6006.

Participants have an unconditional right to obtain the return of any cash payment if the Plan Administrator receives written notice at least 5 business days before such payment is to be invested.

Participants in the Plan may purchase additional shares by means of an Automatic Monthly Investment of not less than \$100 nor more than \$3,000 per month by electronic funds transfer from a predesignated U.S bank account. If a Participant has already established a Plan account and wishes to initiate Automatic Monthly Investments, the Participant must complete and sign an automatic monthly investment form and return it to the Plan Administrator together with a voided check or deposit slip for the account from which funds are to be withdrawn. Automatic monthly investment forms may be obtained from the Fund by calling 1-866-270-7788.

Shareholders wishing to liquidate shares held with the Plan Administrator must do so in writing or by calling 1-866-270-7788. The Plan Administrator does not charge a fee for liquidating such shares; however, a brokerage commission of \$0.02 will be charged. This charge may vary and is subject to change. Once terminated, shareholders may re-enroll in the Plan (provided there are still shares registered in the same name) by contacting the Fund at 1-866-270-7788.

For more information regarding the Automatic Reinvestment and Cash Purchase Plan, please contact the Fund at 1-866-270-7788 or visit Virtus.com. The Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payments made and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 90 days before the record date for such distribution. The Plan also may be amended or terminated by the Plan Administrator with at least 90 days' written notice to participants in the Plan.

DESCRIPTION OF COMMON STOCK

The authorized capital stock of the Fund consists of 500,000,000 shares of Common Stock, par value \$0.001 per share, of which 48,205,395 shares were outstanding as of June 30, 2022. The Shares when issued will be fully paid and nonassessable. All shares of Common Stock are equal as to dividends, assets and voting privileges and have no conversion, preemptive or exchange rights. In the event of liquidation, each share of Common Stock is entitled to its proportion of the Fund's assets after payment of debts and expenses. Shareholders are entitled to one vote per share and each fractional share is entitled to a proportionate fractional vote. All voting rights for directors are non-cumulative, which means that the holders of more than 50% of the shares of common stock can elect 100% of the directors if they choose to do so, and, in such event, the holders of the remaining shares of common stock will not be able to elect any directors. The Fund's outstanding shares of Common Stock are, and the Shares offered hereby will be, listed on the NYSE under the symbol "ZTR."

The Fund has no present intention of offering additional shares beyond this Offer, except that additional shares may be issued under the Automatic Reinvestment and Cash Purchase Plan. See "Automatic Reinvestment and Cash Purchase Plan." Other offerings of its Common Stock, if made, will require approval of the Fund's Board of Directors. Any additional offering will be subject to the requirements of the 1940 Act that shares may not be sold at a price below the then current net asset value (exclusive of underwriting discounts and commissions) except in certain circumstances, including in connection with an offering to existing shareholders or with the consent of a majority of the Fund's outstanding shareholders.

The following table provides information about the Common Stock as of June 30, 2022:

Title of Class	Amount Authorized	Amount Held by the Fund or for its Account	Amount Outstanding
Common Stock	500,000,000 Shares	None	48,205,395 Shares

Repurchase of Shares; Tender Offers

The Fund is authorized to repurchase its shares on the open market when the shares are trading at a discount from net asset value, and the Fund may incur debt to refinance share repurchase transactions. Between April 2012 through December 2015, the Fund repurchased 4,230,853 shares at an aggregate cost to the fund of $55.6 million. In addition, pursuant to the 1940 Act, the Fund retains the right to repurchase its shares under other circumstances on a securities exchange or such other open market designated by the Commission (provided that the Fund has informed shareholders within the preceding six months of its intention to repurchase such shares) by a tender offer open to all the Fund's shareholders, or as otherwise permitted by the Commission. When a repurchase of Fund shares is to be made that is not to be effected on a securities exchange or such an open market or by the making of a tender offer, the 1940 Act provides that certain conditions must be met regarding, among other things, distribution of net income, identity of the seller, price paid, brokerage commissions, prior notice to shareholders of an intention to purchase shares and purchasing in a manner on a basis which does not discriminate unfairly against the other shareholders indirectly through their interest in the Fund. The Fund may incur debt to finance share repurchase transactions (see "Investment Restrictions" in the SAI).

When the Fund repurchases its shares for a price below their net asset value, the net asset value of the shares that remain outstanding will be enhanced, but this does not necessarily mean that the market price of those outstanding shares will be affected, either positively or negatively. The Fund has not repurchased any shares of its Common Stock.

Since the Fund's inception in 1988, the Board of Directors has maintained a policy pursuant to which the Board of Directors considers the making of tender offers of the Fund during periods when the Fund's shares are trading at a discount from net asset value. The Board may at any time, however, decide that the Fund should not make tender offers. The net asset value at which shares may be tendered will be established at the close of business on the last day the tender offer is open. Since the Fund's inception, the Fund made a tender offer for 1,283,635.68 shares of its Common Stock in June 2017, for 1,351,195.45 shares in December 2016, and for 4,768,925.10 shares in May 2016.

Any acquisition of shares by the Fund (whether through a share repurchase or a tender offer) will decrease the total assets of the Fund and therefore have the effect of increasing the Fund's expense ratio. Furthermore, if the Fund borrows to finance share repurchases or tender offers, interest on such borrowings will reduce the Fund's net investment income. If the Fund must liquidate a portion of its investment portfolio in connection with a share repurchase or tender offer, such liquidation might be at a time when independent investment judgment might not dictate such action and, accordingly, may increase the Fund's portfolio turnover and make it more difficult for the Fund to achieve its investment objective.

Each person tendering shares will pay to the Fund a reasonable service charge to help defray certain costs, including the processing of tender forms, effecting payment, postage and handling. Any such service charge will be paid directly by the tendering shareholder and will not be deducted from the proceeds of the purchase. The Fund's transfer agent will receive the fee as an offset to these costs. The Fund expects the cost to the Fund of effecting a tender offer will exceed the aggregate of all service charges received from those who tender their shares. Costs associated with the tender will be charged against capital. During the pendency of any tender offer, shareholders may ascertain the net asset value of the Fund's shares by calling a telephone number as provided in any tender offer materials.

Articles of Incorporation Amendment

The Fund's Articles of Incorporation were amended on June 2, 2010 to provide that if during any fiscal quarter ending on or after June 30, 2010, the Fund's shares trade, on the principal securities exchange on which they are traded, at an average discount from net asset value of 10% or more (determined on the basis of the discount as of the end of the last trading day in each week during such quarter), the Fund's Board of Directors, at its next regularly scheduled meeting shall consider potential measures to seek to reduce the discount, and in its sole discretion may determine if it would be appropriate to submit to the Fund's shareholders a proposal to convert the Fund to an open-end investment company (a "Conversion Proposal"). If such Conversion Proposal was submitted, approval of such Conversion Proposal would require the affirmative vote of a majority of the outstanding shares of the Fund entitled to vote thereon. Under the Fund's prior Articles of Incorporation, the Fund submitted a mandatory Conversion Proposal to its shareholders in 2000, 2001, 2004, 2008 and 2009 because the Fund's shares had traded at an average discount from net asset value of 10% or more during the quarter ended March 31, 2000, the quarter ended December 31, 2000, the quarter ended December 31, 2003, the quarter ended December 31, 2008 and the quarter ended June 30, 2009, respectively. The Fund's shareholders did not approve a Conversion Proposal on any of those occasions.

If the Fund converted to an open-end investment company, its shareholders could require the company to redeem their shares at any time (except in certain circumstances as authorized by the 1940 Act) at the next determined net asset value of such shares, less such redemption charges, if any, as might be in effect at the time of redemption, and such redemption payment must be made within seven days. This may require changes in the Fund's portfolio management because such redemption requests could require the Fund's liquidation of a portion of its investment portfolio at a time when independent investment judgment might not dictate such action and, accordingly, may increase the Fund's portfolio turnover and make it more difficult for the Fund to achieve its investment objective. In addition, if the Fund converted to an open-end investment company, its shares would no longer be listed on any stock exchange, and certain of the Fund's expenses (including transfer agency and shareholder services expenses) would be greater than those that would be incurred by a closed-end investment company.

Special Voting Provisions

The Fund has provisions in its Articles of Incorporation and By-Laws (collectively, the "Charter Documents") that could have the effect of limiting the ability of other entities or persons to acquire control of the Fund, to cause it to engage in certain transactions or to modify its structure. The Board of Directors is divided into three classes. At the annual meeting of shareholders each year, the term of one class will expire and directors will be elected to serve in that class for terms of three years. This provision could delay for up to two years the replacement of a majority of the Board of Directors.

The maximum number of Directors (twelve) may be increased, or a Director may be removed from office, only by the affirmative vote of the holders of at least 75% of the shares of the Fund entitled to be voted for the election of Directors. In addition, the affirmative vote of the holders of 75% of the outstanding shares of the Fund is required to authorize the conversion of the Fund from a closed-end to an open-end investment company (except pursuant to a Conversion Proposal described above), to amend certain of the provisions of the Articles of Incorporation or generally to authorize any of the following transactions:

(i) merger or consolidation or statutory share exchange of the Fund with or into any other corporation;

(ii) a sale of all or substantially all of the Fund's assets (other than in the regular course of the Fund's investment activities); or

(iii) a liquidation or dissolution of the Fund,

unless such action has been approved, adopted or authorized by the affirmative vote of two-thirds of the total number of Directors fixed in accordance with the By-Laws, in which case the affirmative vote of a majority of the Fund's outstanding shares is required. Such 75% voting requirements described above, which are greater than the minimum requirements under Maryland law or the 1940 Act, can only be changed by a similar 75% vote. Reference is made to the Charter Documents of the Fund, on file with the Commission, for the full text of these provisions. See "Further Information."

The provisions of the Charter Documents described above and the Fund's right to repurchase or make a tender offer for shares of its common stock could have the effect of depriving the owners of shares of opportunities to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund in a tender offer or similar transaction. See "Repurchase of Shares" and "Tender Offers."

Indemnification and Limitation on Liability

The Fund's Articles of Incorporation provide that no director or officer shall have any liability to the Fund or its shareholders for damages, to the fullest extent that limitations on the liability of directors and officers are permitted under Maryland corporate law. Such limitation on liability is intended to apply to any events that may occur at the time a person serves as a director or officer of the Fund, even if such person is not a director or officer at the time of any proceeding in which liability is asserted. However, no provision in the Fund's Articles of Incorporation that modifies, restricts or eliminates the duties or liabilities of directors or officers in the Articles of Incorporation shall apply to, or in any way limit, the duties (including state law fiduciary duties of loyalty and care) or liabilities of such persons with respect to matters arising under the federal securities laws.

TAXATION

Federal Taxation of the Fund and its Distributions

The Fund has qualified and elected to be treated, and intends to continue to qualify and be treated, as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). The Fund currently intends to distribute all or substantially all its investment company taxable income (all taxable income and net short-term capital gains) and its net capital gain each year, thereby avoiding the imposition on the Fund of federal income and excise taxes on such distributed income and gain. Such distributions from investment company taxable income, whether paid in cash or in shares, will be taxable as ordinary income to shareholders of the Fund who are subject to tax, and the Fund's capital gain distributions, whether paid in cash or in shares, will be taxable as capital gain to such shareholders. Distributions in excess of the Fund's earnings and profits will first reduce the adjusted tax basis of a shareholder's shares and, after such adjusted tax basis is reduced to zero will constitute capital gain to such shareholder (assuming such shares are held as a capital asset). For non-corporate U.S. shareholders, the Fund's capital gains distributions and certain of its ordinary income distributions will be taxable at a maximum marginal federal income tax rate of 20%. Shareholders that are not subject to tax on their income generally will not be required to pay tax on amounts distributed to them. Notwithstanding the above, the Fund may decide to retain all or part of any net capital gain for reinvestment. After the end of each taxable year, the Fund will notify shareholders of the federal income tax status of any distributions, or deemed distributions, made by the Fund during such year. For a discussion of certain income tax consequences to shareholders of the Fund, see "Taxation" in the SAI.

Federal Income Tax Consequences Relating to the Offer

The following discussion describes certain United States federal income tax consequences of the Offer generally applicable to citizens or residents of the United States and U.S. trusts, estates, corporations and any other person who is generally subject to U.S. federal income tax ("U.S. Shareholders"). This summary is intended to be descriptive only and does not purport to be a complete analysis or listing of all potential tax effects relevant to the ownership of Rights or Common Stock. It assumes that each U.S. Shareholder holds Common Stock as a capital asset. Additionally, this summary does not specifically address the U.S. federal income tax consequences that might be relevant to holders of Rights or Common Stock entitled to special treatment under the U.S. federal income tax laws, such as individual retirement accounts and other tax deferred accounts, financial institutions, life insurance companies and tax-exempt organizations, and does not discuss the effect of state, local and other tax laws. Further, this summary is based on interpretations of existing law as of the date of this Prospectus as contained in the Code, applicable current and proposed Treasury Regulations, judicial decisions and published administrative positions of the Internal Revenue Service, all of which are subject to change either prospectively or retroactively.

U.S. Shareholders who receive Rights pursuant to the Offer should not recognize taxable income for U.S. federal income tax purposes upon their receipt of the Rights. If Rights issued to a U.S. Shareholder expire without being sold or exercised, no basis should be allocated to such Rights, and such Shareholder should not recognize any gain or loss for U.S. federal income tax purposes upon such expiration.

The tax basis of a U.S. Shareholder's Common Stock should remain unchanged and the shareholder's basis in the Rights should be zero, unless such U.S. Shareholder affirmatively and irrevocably elects (in a statement attached to such shareholder's U.S. federal income tax return for the year in which the Rights are received) to allocate the basis in the Common Stock between such Common Stock and the Rights in proportion to their respective fair market values on the date of distribution.

A U.S. Shareholder who exercises Rights should not recognize any gain or loss for U.S. federal income tax purposes upon the exercise. The tax basis of the newly acquired Common Stock should equal the Subscription Price paid for the Common Stock (plus the basis, if any, allocated to the Rights in the manner described in the immediately preceding paragraph). The holding period for Common Stock acquired upon the exercise of Rights should begin on the date of exercise of the Rights. See "Taxation" in the SAI.

Each U.S. Shareholder is urged to consult his or her own tax advisor with respect to the specific federal, state and local tax consequences to such U.S. Shareholder of receiving Rights in this offer.

CUSTODIAN, DIVIDEND PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon, 240 Greenwich Street, New York, NY 10286, serves as the Fund's custodian. Computershare Trust Company, N.A., P.O. Box 505005, Louisville, KY 40233-5005, serves as the Fund's dividend paying agent, transfer agent and registrar.

EXPERTS

The financial statements of the Fund for the year ended November 30, 2021 and the financial highlights for the last five years included in this Prospectus, have been so included in reliance on the report of PricewaterhouseCoopers LLP, Philadelphia, Pennsylvania, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The validity of the Shares under Maryland law will be passed on for the Fund by Miles & Stockbridge, Baltimore, Maryland. Certain other matters may be passed on for the Fund by Sullivan & Worcester LLP, Washington, DC, which serves as counsel to the Fund.

FURTHER INFORMATION

Further information concerning these securities and the Fund may be found in the Registration Statement on file with the Commission, of which this Prospectus and the SAI incorporated by reference herein constitute a part. Financial statements of the Fund for fiscal year ended November 30, 2021 are included in the Fund's annual report to shareholders for the year, copies of which are on file with and may be inspected at the Commission as indicated below.

The Fund is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the 1940 Act, and in accordance therewith, is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Such information is available for inspection at the public reference facilities of the Commission at Room 1024, 100 F Street, NE, Washington, DC 20549. Copies of such information are obtainable by mail, upon payment of the Commission's customary charges, by writing to the Commission's principal office at 100 F Street, NE, Washington, DC 20549 at prescribed rates. The Commission maintains a website (http://www.sec.gov) that contains periodic reports, proxy statements and other information regarding registrants that file documents electronically with the Commission. Such reports and other information concerning the Fund may also be inspected at the offices of the NYSE.

No dealer, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Prospectus in connection with the offer made by this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund, the Investment Adviser or the Subadvisers. This Prospectus does not constitute an offer to sell or a solicitation of any offer to buy any security other than the Shares of Common Stock offered by this Prospectus, nor does it constitute an offer to sell or the solicitation of any offer to buy the Shares of Common Stock by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any such person to whom it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof. However, if any material change occurs while this Prospectus is required by law to be delivered, this Prospectus will be amended or supplemented accordingly.

16,500,000 Shares of Common Stock

VIRTUS TOTAL RETURN FUND INC.

Issuable Upon Exercise of
Non-Transferable Rights to
Subscribe for Such
Shares of Common Stock

PROSPECTUS

August 11, 2022