Fellow shareholders,

For those of you wondering about the Funds' performance the past 2 days, it is primarily due to volatility in two of our largest positions: Time Warner and NXPI Semiconductor.

As you may recall, Time Warner is in the process of being acquired by AT&T. The parties do not need FCC approval for the transaction but they do need antitrust clearance from the U.S. Department of Justice ("DOJ"). There was a negative article in the Wall Street Journal on Thursday which implied that the government was considering blocking the transaction and was in the process of drafting a complaint to be filed with the D.C. District Court. Several factors should be noted regarding this apparent development: 1) The DOJ deliberations are non-public so the credibility of the report is questionable; 2) AT&T has denied the substance of the newspaper article; 3) our view, informed by regulatory counsel and significant research, is that the anti-trust division of the DOJ will eventually clear the transaction and not sue to block it.

Time Warner is a "crowded trade" and is the victim of panic selling as well as risk-management triggers by professional investors, which required reducing position size.

NXPI Semiconductor is also a large position for many arbitrageurs and event-driven investors. It is being acquired by Qualcomm via a tender offer and is awaiting approval by the European Union and Chinese regulators. U.S. antitrust approval has already been received. This highly strategic transaction is trading above the deal price due to a significant increase in NXPI's value since the announcement of the transaction. Late Friday afternoon there were widespread press reports that Broadcom was imminently going to make a bid for Qualcomm, putting into question Qualcomm's purchase of NXPI. It is unclear at this point how the situation will play out but we would point out that Qualcomm has a binding merger agreement to purchase NXPI, and also the downside of NXPI without a deal is limited if not zero. Additionally, were Broadcom to pursue Qualcomm, we believe that the combined NXPI/Qualcomm would be of more interest rather than just Qualcomm.

The dynamics of both of these positions illustrate the prevalent mentality of selling first and asking questions later. We are optimistic that Time Warner's acquisition will still be completed, and are comfortable that NXPI's value should ultimately be borne out, whether it be through the existing deal or via some combination as of yet undetermined with both Broadcom and Qualcomm.

We believe that emotional reactions to speculative news often create the best opportunities for our investors, and this should be no exception. We are sticking to our knitting and only buy and sell based upon concrete news and well-reasoned logic.

Would be happy to answer any further questions our investors may have.

Roy Behren

Mike Shannon

IMPORTANT DISCLOSURES

Before investing in any fund, carefully consider the investment objectives, risks, charges, and expenses. For a prospectus or summary prospectus containing this and other fund information, please call (800) 343-8959. Please read the prospectus carefully before investing.

The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original costs. Current performance may be lower or higher than the performance quoted. Click here for most recent standardized performance information.

Mutual fund investing involves risk. Principal loss is possible. Merger-arbitrage and event-driven investing involve the risk that the adviser's evaluation of the outcome of a proposed event, whether it be a merger, reorganization, regulatory issue or other event, will prove incorrect and that the Funds' return on the investment will be negative. Investments in foreign companies may entail political, cultural, regulatory, legal, and tax risks different from those associated with comparable transactions in the United States. The frequency of the Fund's transactions will vary from year to year, though merger arbitrage portfolios typically have higher turnover rates than portfolios of typical long-only funds. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups, and other transaction costs. The higher costs associated with increased portfolio turnover may offset gains in the Fund's performance. The Funds' may enter into short sale transactions for, among other reasons, purposes of protecting against a decline in the market value of the acquiring company's shares prior to the acquisition completion. If the price of a 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. The amount of a potential loss on an uncovered short sale transaction is theoretically unlimited. Debt securities may fluctuate in value due to, among other things, changes in interest rates, general economic conditions, industry fundamentals, market sentiment and the financial condition of the issuer, including the issuer's credit rating or financial performance. Derivatives may create leverage which will amplify the effect of the performance of those instruments on the Funds' and may produce significant losses. The Funds hedging strategy will be subject to the Funds' investment adviser's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged.

Fund holdings and asset allocation are subject to change at any time and are not recommendations to buy or sell any security. The Ten Largest Positions as a Percent of Net Assets for The Merger Fund® as of September 30, 2017, were: Altaba Inc. (10.52), Time Warner Inc. (8.76), NXP Semiconductors NV (6.86), C.R. Bard, Inc. (6.09), Sky PLC (4.30), Worldpay Group PLC (4.27), Rice Energy Inc. (3.34), Huntsman Corporation (3.29), DowDuPont Inc. (2.91), The Advisory Board Company (2.36). The Ten Largest Positions as a Percent of Net Assets for The Merger Fund VL as of September 30, 2017, were: T Altaba Inc. (10.50), Time Warner Inc. (8.78), NXP Semiconductors NV (6.53), C.R. Bard, Inc. (5.88), Worldpay Group PLC (4.24), Sky PLC (4.18), Rice Energy Inc. (3.35), Huntsman Corporation (3.14), DowDuPont Inc. (2.90), American International Group, Inc. (2.63). The Ten Largest Positions as a Percent of Net Assets for WCM Alternatives Event-Driven Fund as of September 30, 2017, were: Altaba Inc. (10.10), Time Warner Inc. (9.92), NXP Semiconductors NV (6.80), DowDuPont Inc. (6.35), Worldpay Group PLC (5.92), Sky PLC (5.77), C.R. Bard, Inc. (5.75), Hewlett Packard Enterprise Company (3.97), CBS Corporation (3.95), American International Group, Inc. (3.81).

The views expressed are as of November 3, 2017, and are a general guide to the views of Westchester Capital Management, are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security. This document does not replace portfolio and fund-specific materials.

The Merger Fund® and WCM Alternatives: Event-Driven Fund are distributed by Quasar Distributors, LLC. The Merger VL is available through variable products offered by third-party insurance companies and is not affiliated with Quasar Distributors, LLC.