Westchester Capital
MANAGEMENT

Global

Absolute Return

Catalyst Driven

Q4 2020
Quarterly Review

OVERALL Morningstar Rating™

The Merger Fund® MERFX/MERIX	Investor	★★★★	Out of 92 market neutral funds as of 12/31/2020
	Institutional	★★★★	
Event-Driven Fund WCERX/WCEIX	Investor	☆☆☆☆	Out of 244 multi-alternative funds as of 12/31/2020
	Institutional	★★★★	
Credit Event Fund WCFRX/WCFIX	Investor	★★★★★	Out of 43 long-short credit funds as of 12/31/2020
	Institutional	★★★★★	

The Overall Morningstar Rating is derived from a weighted average of the Fund’s 3-, 5-, and 10-year Morningstar Rating metrics. Ratings based on risk-adjusted returns.

The Merger Fund VL
Insurance Dedicated Vehicle
MERVX

STANDARDIZED PERFORMANCE SUMMARY
As of December 31, 2020

	Average Annual Total Return (%)						Annual Operating Expense Ratio (%)[3]				
	QTD	YTD	1 YR	5 YR	10 YR	Life	Gross Expense Ratio	Net Expense Ratio[1,2]	Net Expenses excluding Investment-Related Expenses[2,3]	Performance Inception	Ticker
Merger Arbitrage[2]											
The Merger Fund (Institutional)	3.27	5.15	5.15	5.00	n/a	3.80	1.72%	1.70%	1.19%	08/01/2013	MERIX
The Merger Fund (Investor)	3.19	4.87	4.87	4.68	3.27	6.06	2.01%	1.99%	1.48%	01/31/1989	MERFX
Insurance Dedicated Funds[2]											
The Merger Fund VL	4.63	7.38	7.38	5.11	3.31	4.95	2.46%	1.94%	1.40%	05/26/2004	MERVX
Opportunistic Credit[2]											
Credit Event Fund (Institutional)	13.80	16.08	16.08	n/a	n/a	8.33	5.40%	1.90%	1.64%	12/29/2017	WCFIX
Credit Event Fund (Investor)	13.77	16.28	16.28	n/a	n/a	8.19	5.65%	2.15%	1.89%	12/29/2017	WCFRX
Multi Event[2]											
Event-Driven Fund (Institutional)	10.46	6.55	6.55	6.07	n/a	4.55	2.17%	2.13%	1.57%	01/02/2014	WCEIX
Event-Driven Fund (Investor)	10.32	6.30	6.30	n/a	n/a	6.79	2.42%	2.38%	1.82%	03/22/2017	WCERX

	QTD	YTD	1-YR	5-YR	10-YR	15-YR
US Fund Market Neutral	0.33	-2.22	-2.22	0.36	0.49	0.42
US Fund Multialternative	4.78	1.23	1.23	1.97	1.33	1.48
US Fund Long-Short Credit	4.63	5.00	5.00	3.44	2.70	3.27
S&P 500	12.15	18.40	18.40	15.22	13.88	9.88
Wilshire Liq Alt Event Driven	3.75	4.93	4.93	3.49	2.00	3.16
Barc US Agg Bond	0.67	7.51	7.51	4.44	3.84	4.49
ICE BofAML US 3M Trsy Bill	0.03	0.67	0.67	1.20	0.64	1.23

QTD and YTD performance is not annualized. Performance data quoted represent past performance; past performance does not guarantee future results. The performance results portrayed herein reflect the reinvestment of all interest, dividends and distributions. The 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 their original cost. Current performance of the Funds may be lower or higher than the performance quoted. Performance data included herein for periods prior to 2011 reflect that of Westchester Capital Management, Inc., the Funds' prior investment advisor. Messrs. Behren and Shannon, the Funds' current portfolio managers, have served as co-portfolio managers of the Funds since 2007. Performance data current to the most recent month-end may be obtained by calling (800) 343-8959 or by visiting www.westchestercapitalfunds.com. [1]Net expense ratios are as of a fund's most recent prospectus and were applicable to investors. [2]The Adviser has contractually agreed to waive a portion of its investment advisory fee through April 30, 2022 for The Merger Fund®. The Adviser has contractually agreed to limit the ordinary operating expenses through April 30, 2022 for The Merger Fund VL. The Adviser has contractually agreed to waive a portion of its investment advisory fee and to reimburse other ordinary operating expenses through April 30, 2022 for WCM Alternatives: Event-Driven Fund and WCM Alternatives: Credit Event Fund. [3]Investment related expenses include expenses related to short sales and interest on any borrowing or interest on reverse repurchase agreements, as applicable, and acquired fund fees and expenses.

Fellow Shareholders,

2020 was an outlier year for many reasons- politically, economically, and most importantly for the health of the world's citizenry. Thankfully, it appears that the clouds have begun to clear, although the effects of COVID and recent social change, on all of the above, will be felt far into the future.

On the subject of change, we are happy to report that Westchester Capital has agreed to merge into the publicly traded firm called Virtus Investment Partners (NASDAQ: VRTS), and to become a wholly-owned affiliate of Virtus.

The winds of change have been blowing in our industry for a while; escalating cost-structures, increased regulation and economies of scale realized by multi-hundred-billion-dollar financial firms have made it difficult for smaller boutique managers to compete for intermediary shelf space to make their funds widely available, or to realize operating efficiencies to the same extent as much larger managers. The flip side of the coin is that by affiliating with a highly regarded financial services firm such as Virtus, (which recently was ranked 2nd in Barron's nationwide list of the best fund families[1]) we actually can achieve those benefits for our investors while continuing to independently manage and provide the same investment products that we have offered for the past three decades. While we have always enjoyed being independent, the reach and resources available through a tie-up with Virtus was a no-brainer for us and our clients. They have a well-deserved reputation of being a hands-off parent company, with a sterling balance sheet and deep industry ties.

Under Virtus, we will have the resources to continue to invest in our investment process and infrastructure, while maintaining the same portfolio, middle and back office teams. The transition will be seamless and transparent to our investors. We will retain the WCM culture and accessibility that we have maintained for decades. Not to beat this point to death, but rest assured that the entire portfolio management team and our money management methodology will continue unaffected. We have made long-term employment commitments, which we intend to honor, as we have with any other representations we have made to our clients.

2020 Q4 Recap

Beyond our own merger (which we cannot arbitrage!), we are pleased to report that Q4 continued the process of normalization that began in Q3. As discussed in more detail below, arbitrage spreads tightened and deal activity ramped up significantly. Global deal volume was down for the year but rebounded with the strongest second half ever. Some noteworthy data points on the space[2]:

- Global M&A volume ended the year at $3.6T, down 10% versus 2019, but a significant improvement over the 50% year-over-year declines as of end of June. The 2nd half of 2020 was the most active ending period in M&A history.
- North America drove the global M&A rebound, accounting for 55% of M&A volume since July.
- Technology and Industrials were the most active sectors, accounting for over 42% of global M&A volume.
- 2020 will go down as "the year of the Special Purpose Acquisition Company (SPAC)," with $150B of announced "spacquisitions" and 43 $1B+ deals. Currently, with 228 SPACs searching for targets and ~$74B in investable capital, SPACs have the potential for several hundred billion dollars' worth of transactions.
- Historically high levels of dry powder spurred private equity to announce larger transactions in 2020, with activity spiking to record levels during the last quarter of 2020.

1 Barron's Top Fund Families of 2019, February 14, 2020
2 Source: Citi 2020 Year in Review

- LBO activity was driven by a surge in $2B+ deals, which accounted for 27% of all LBOs in 2020, their largest share ever. The full year tied with 2007 as the third strongest year ever for sponsor-driven M&A deals.
- Despite the late surge, there were fewer $10B+ mega-deals in 2020 compared to 2019. The 40 such deals announced in 2020 had an average size of ~$21B, vs an average $27B deal size for the 45 deals in 2019.

MERGER ARBITRAGE

The Merger Fund® advanced by 3.27% and 3.19% for the Institutional and Investor share classes, respectively, during the fourth quarter, its 101st gain in the 128 quarters since its 1989 inception, bringing YTD performance to 5.15% and 4.87% respectively. The Merger Fund VL posted a 4.63% return for the quarter, bringing YTD performance to 7.38%. The Merger Fund® invested in 228 transactions during the quarter and had one terminated deal, RentPath LLC, a property listing website business, which was to be acquired by CoStar Group (-0.06%). The deal was blocked by the Federal Trade Commission ("FTC") citing concerns that the acquisition would eliminate competition, which currently benefits both renters and property managers. Reflecting a roughly 6:1 ratio of winners to losers, 194 positions posted positive gains while 34 had negative marks-to-market. As of the end of December, the fund held 159 positions and was approximately 98% invested.

As we have done in connection with past lawsuits, we conducted fundamental and litigation research and determined to hold our investments in two deals where the buyer sued to terminate the transaction, and which became our two largest profit contributors for the quarter. Tiffany & Co. contributed 0.60% and Taubman Centers Inc. added 0.52% to performance. These transactions, which subsequently closed at renegotiated prices, epitomize the panic spread-widening seen in the market at the height of the COVID crisis. Additional contributors were several SPACs, led by Kensington Capital Acquisition Corp. (0.30%) and Longview Acquisition Corp. (0.25%). Additionally, the $7 billion acquisition by Morgan Stanley of Eaton Vance (0.10%) closed during the quarter.

The S&P 500 had an outsized 12.15% return during the quarter, resulting in a negative mark of 0.25% from the macro portfolio hedge, our largest detractor. Additional mark-to-markets losses due to spread widening came from Qiagen NV/Thermo Fisher Scientific (-0.12%), Willis Towers Watson PLC/Aon PLC (-0.10), and the aforementioned RentPath LLC (-0.06).

EVENT DRIVEN

The WCM Alternatives: Event-Driven Fund returned 10.46% and 10.32% for the Institutional and Investor share classes, respectively, during the quarter, bringing its YTD gain to 6.55% and 6.30%. During the period, the fund participated in 260 events with 223 positions posting gains versus 37 positions with negative marks-to-market. The Fund was fully invested at quarter-end.

Similar to The Merger Fund®, the biggest winners were Kensington Capital/QuantumScape Corp (1.36%), Taubman Centers Inc/Simon Property Group Inc (0.61%), Tiffany & Co/LVMH Moet Hennessy Louis Vuitton SE (0.60%), Pivotal Investment Corporation II (0.45%), and Longview Acquisition Corp. (0.34%).

The largest detractors were RentPath LLC (-0.30%), Macro Portfolio Hedge (-0.24%), Celgene Corp/Bristol-Myers Squibb Contingent Value Right (-0.18%), Qiagen NV/Thermo Fisher Scientific (-0.12%), and Willis Towers Watson PLC/Aon PLC (-0.11%).

CREDIT EVENT

After completing three years of existence, and breaking out of the gate rather slowly, we are pleased to announce that the WCM Alternatives: Credit Event Fund became eligible for a Morningstar rating, and promptly earned 5 stars for both the Overall and 3-year period. Performance in Q4 added 13.80% for the Institutional share class and 13.77% for the Investor share class, ending the year up 16.08% and 16.28%, respectively. This return is ahead of our anticipated run rate; however, our objective is to opportunistically capitalize on occasional situations and trends that appear to reflect market inefficiencies. Fortunately for us, there were several such opportunities during the quarter, and winners outnumbered losers by more than 13:1. In fact, a large portion of the fund's gains were generated by appreciation in its SPAC investments, which may or may not be repeatable. The Fund invested in 131 situations throughout the quarter, only 9 of which produced negative marks. As of December 31st the Fund had 106 credit-related event investments in the portfolio, including multiple SPAC positions.

In the winner's column, Bombardier earned 0.72% as the bonds continued to rally after receiving all regulatory clearances for Alstom to purchase Bombardier's rail asset. The deal is expected to be completed mid-February of 2021. Bombardier will receive proceeds of €5.3 billion, which will be used to pay down some of the outstanding Bombardier debt; Cengage Learning and McGraw-Hill term loans (0.35%) continued to outperform as back-to-school revenues outperformed initial downbeat expectations. McGraw-Hill successfully enacted a consent to partially pay down its debt, extend some of its maturities and increase coupons. Additional positive contributors included: Ingram Micro debt (0.25%) which we purchased ahead of Platinum Equity completing its purchase of Ingram from China's HNA Group. We bought the bonds at 107.25 and as of the date of this letter they are now trading at 115+; Claire's Stores Term Loans (0.27%) and Genesis Energy bonds (0.26%) continue to outperform as their expected market re-rating continued; GMAC and SLM Corp Preferreds contributed as well as the companies' restructured their balance sheets and their corporate environment improved.

In SPACs, the most significant contributor was Kensington Capital (KCAC) which merged with QuantumScape Corp. (QS). The KCAC shares (which we sold) and the QS shares we purchased through a PIPE (Private Investment in a Public Equity) traded significantly above the $10 offering price. Despite hedging 72% of the position, the position contributed 2.23%.

The largest detractor was the RentPath term loan which cost the Fund –1.29%. As mentioned previously, the FTC blocked the CoStar Group's acquisition of RentPath. RentPath later terminated the deal in order to exit Chapter 11 as a standalone entity. Upon the termination, the RentPath term loan declined from the low-70s to the mid-40s.

OUTLOOK

Although there remains uncertainty regarding the track of the corona virus recovery, as of the date of this letter we perceive economic green shoots and increased stability, so we remain optimistic regarding the outlook for the balance of 2021 and beyond.

The drivers of our past optimism remain in place. Here are some highlights:

- Corporate balance sheets contain close to record levels of cash. Acquisitions are seen as an efficient and often accretive use of corporate liquidity.
- Cheap financing options and greater availability of capital will probably also facilitate M&A activity and drive cash bids in 2021.
- Share-for-share deals should continue as well, fueled by high equity valuations.
- With favorable access to capital, opportunistic buyers will likely target highly-impacted industries, leading to a meaningful rise in hostile/unsolicited deals. Strategic assets could also see competing bidders.
- Private equity firms still hold a record $1.9T in dry powder, more than double the levels post the 2008 global financial crisis.
- Corporate defaults in 2020 have surpassed the 2019 tally and lie at record highs.
- High corporate defaults may present opportunities for potential bidders to pick up distressed assets, whether they be full or partial companies.

We look back at 2020 with satisfaction that we were able to provide the stable and uncorrelated investment profile that we strive to produce and have guided our investors to expect. We believe our partnership with Virtus will only strengthen our ability to continue our 30-year track record of low volatility and absolute returns in a variety of market environments.

Please feel free to take us up on our offer to ask us questions directly. Our shareholder services, product specialist and distribution team of Jody Harris-Stern, Tom Macior, JT Fucigna and Reny Mathew stand ready to discuss any investment matter including the tie-up with Virtus, as do we.

We appreciate your support and will continue to be available should any of our investors have questions or comments.

Roy Behren   Mike Shannon

OUR COMPANY

WCM manages a total of six SEC-registered mutual funds. Our vehicles span the spectrum from lower-return, lower-volatility expectations to additional volatility with potentially higher return expectations:

SEC '40-Act Funds		Ticker	Strategy	Inception
The Merger Fund®			Merger Arbitrage	
	Investor Share Class	MERFX		1989
	Institutional Share Class	MERIX		2013
WCM Alternatives: Event-Driven Fund			Event-Driven	
	Investor Share Class	WCERX		2017
	Institutional Share Class	WCEIX		2014
WCM Alternatives: Credit Event Fund			Opportunistic Credit	
	Investor Share Class	WCFRX		2017
	Institutional Share Class	WCFIX		2017
Variable Annuity Trust				
The Merger Fund VL		MERVX	Merger Arbitrage	2004
Sub-advised SEC '40-Act Funds				
JNL/Westchester Capital Event Driven Fund			Event-Driven	2015
Westchester Merger Arbitrage Strategy of the JNL Multi-Manager Alternative Fund			Merger Arbitrage	2016

Quarterly statistical summaries for all of our vehicles are provided within two weeks of the end of the quarter-typically one month prior to the release of the quarterly letter. They are available electronically on our website, and we would be happy to provide a scheduled email as soon as the data becomes available. For convenience, investors can arrange for e-alerts of important Fund communications. Through our website at www.westchestercapitalfunds.com, you can check direct account balances, make purchases and sales, and sign up for notification of trade confirmations, statements, and shareholder communications via e-mail.

IMPORTANT DISCLOSURES

Before investing in The Merger Fund®, WCM Alternatives: Event-Driven Fund, and/or WCM Alternatives: Credit Event Fund, carefully consider the investment objectives, risks, charges, and expenses. For a prospectus or summary prospectus containing this and other information, please call (800) 343-8959. Please read the prospectus carefully before investing. The Merger Fund VL is available through variable products offered by third-party insurance companies. For a prospectus containing information for any variable annuity or variable life product that invests in The Merger Fund VL, contact your financial advisor or the offering insurance company for a contract prospectus and prospectus for the underlying funds. Please read it carefully before investing. Shares of JNL/Westchester Capital Event-Driven Fund are offered to separate accounts of participating life insurance companies for the purpose of funding variable annuity contracts and variable life insurance policies. Shares of the fund are not offered directly to the public. For a prospectus containing information for any variable annuity or variable life product that invests in the Fund, contact your financial advisor or the offering insurance company for a contract prospectus and prospectus for the underlying funds. Please read it carefully before investing. Variable annuities are long-term, tax-deferred investments designed for retirement, involve investment risks, and may lose value. Earnings are taxable as ordinary income when distributed and may be subject to a 10% federal tax penalty if withdrawn before age 59½. Optional benefit costs are added to the ongoing fees and expenses of the variable annuity.

Variable annuities (VA650, VA660) are issued by Jackson National Life Insurance Company® (Home Office: Lansing, Michigan) and in New York (VA650NY, VA660NY) by Jackson National Life Insurance Company of New York® (Home Office: Purchase, New York). Variable annuities are distributed by Jackson National Life Distributors LLC, member FINRA. May not be available in all states and state variations may apply. These products have limitations and restrictions, including withdrawal charges, recapture charges and excess interest adjustments (interest rate adjustments in New York) where applicable. Jackson® issues other annuities with similar features, benefits, limitations, and charges. Contact Jackson for more information. Jackson is the marketing name for Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York.

Fund holdings and sector allocations are subject to change and should not be considered a recommendation to buy or sell any security. The Ten Largest Positions as a Percent of Net Assets for The Merger Fund® as of December 31, 2020, were: Willis Towers Watson Public Limited Co. (5.66%), Altaba Inc. (5.27%), Varian Medical Systems, Inc. (5.00%), Tiffany & Co. (4.67%), Slack Technologies, Inc. (3.78%), Fiat Chrysler Automobiles N.V. (3.58%), Eaton Vance Corp. (3.47%), Inphi Corporation (3.36%), Maxim Integrated Products, Inc. (3.33%), IHS Markit Ltd. (3.27%). The Ten Largest Positions as a Percent of Net Assets for The Merger Fund VL as of December 31, 2020, were: Willis Towers Watson Public Limited Co. (5.83%), Altaba Inc. (5.23%), Varian Medical Systems, Inc. (5.01%), Tiffany & Co. (4.68%), Slack Technologies, Inc. (3.78%), Fiat Chrysler Automobiles N.V. (3.61%), Inphi Corporation (3.40%), Maxim Integrated Products, Inc. (3.36%), Eaton Vance Corp. (3.33%), IHS Markit Ltd. (3.29%). The Ten Largest Positions as a Percent of Net Assets for WCM Alternatives: Event-Driven Fund as of December 31, 2020, were: Altaba Inc. (5.81%), Willis Towers Watson Public Limited Co. (5.75%), Tiffany & Co. (4.46%), Slack Technologies, Inc. (4.40%), Varian Medical Systems, Inc. (4.10%), Fiat Chrysler Automobiles N.V. (3.92%), Inphi Corporation (3.86%), Maxim Integrated Products, Inc. (3.64%), DuPont de Nemours, Inc. (3.25%), Alexion Pharmaceuticals, Inc. (3.19%). The Ten Largest Positions as a Percent of Net Assets for WCM Alternatives: Credit Event Fund as of December 31, 2020, were: QuantumScape Corporation (13.03%), Refinitiv US Holdings Inc. (5.33%), Altaba Inc. (5.00%), WPX Energy (4.17%), Gogo International Holdings LLC (3.89%), APX Group (3.88%), Bombardier Inc. (3.66%), Claire's Stores (3.57%), Qell Acquisition Corp. (3.33%), Watts Guerra PCG (3.31%).

Diversification does not assure a profit, nor does it protect against a loss in a declining market.

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 events, 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. Investments in lower-rated and non-rated securities present a great risk of loss to principal and interest than higher-rated securities.

The WCM Alternatives: Credit Event Fund is non-diversified and therefore has a greater potential to realize losses upon the occurrence of adverse events affecting an issuer in its portfolio.

Any tax or legal information provided is merely a summary of our understanding and interpretation of some of the current income tax regulations and is not exhaustive. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation. Neither the Funds nor any of their representatives may give legal or tax advice.

The views expressed are as of February 1, 2021, 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. Distributions are not guaranteed. This document does not replace portfolio and fund-specific materials.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity, and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, and the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics.

The weights are 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of December 31, 2020, The Merger Fund® was rated against the following numbers of U.S.-domiciled Market Neutral funds over the following time periods: 92 funds in the last three years, 72 funds in the last five years, and 23 funds in the last ten years. With respect to these Market Neutral funds, The Merger Fund® – Investor share class (MERFX) received a Morningstar Rating of 4 stars, 4 stars and 4 stars for the three-, five- and ten-year periods, respectively. The Merger Fund® – Institutional share class (MERIX) received a Morningstar rating of 5 stars, 4 stars and 4 stars for the three-, five- and ten-year periods, respectively. Ten-year ratings are Extended Performance Ratings computed by Morningstar using historical adjusted returns prior to the 8/1/2013 inception date of MERIX and reflect the historical performance of MERFX, (inception date 1/31/1989), adjusted to reflect the fees and expenses of the Institutional shares. As of December 31, 2020, WCM Alternatives: Event-Driven Fund was rated against the following numbers of U.S.-domiciled Multi Alternative funds over the following periods: 244 funds in the last three years and 189 funds in the last five years. With respect to these Multi Alternative funds, WCM Alternatives: Event-Driven Fund – Institutional share class (WCEIX) received a Morningstar Rating of 5 stars and 4 stars for the three- and five-year periods, respectively. WCM Alternatives: Event-Driven Fund – Investor share class (WCERX) received a Morningstar Rating of 4 stars and 4 stars for the three- and five-year periods, respectively. 5-year ratings are Extended Performance Ratings computed by Morningstar using historical adjusted returns prior to the 3/22/2017 inception date of WCERX and reflect the historical performance of WCEIX, (inception date 1/2/2014), adjusted to reflect the fees and expenses of the Investor shares. As of December 31, 2020, The WCM Alternatives: Credit Event Fund was rated against the following number of U.S.-domiciled Long-Short Credit Funds over the following time period: 43 funds in the last three years. With respect to these funds, The Institutional and Investor Class received 5 stars, respectively. Past performance is no guarantee of future results.

Absolute return strategies are not intended to outperform stocks and bonds during strong market rallies. An absolute return fund may not achieve its goals and may underperform during periods of strong positive market performance.

A number of the comments in this document are based on current expectations and are considered "forward-looking statements". Actual future results, however, may prove to be different from expectations. The opinions expressed are a reflection of Westchester Capital Management's best judgment at the time this document is compiled and any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise is disclaimed. Furthermore, these views are not intended to predict or guarantee the future performance of any individual security, asset class, or markets generally, nor are they intended to predict the future performance of any Westchester Capital Management account, portfolio or fund.

Definitions: **The S&P 500 Index** is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general; **The Bloomberg Barclays Aggregate Bond Index** is an intermediate-term index comprised of investment-grade bonds. **The Bloomberg Barclays US Corporate High Yield Bond Index** measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. **The Morningstar Category: US Fund Market Neutral** is comprised of a universe of funds with similar investment objectives. **The Morningstar Category: The US Fund MultiAlternative** encompasses funds that have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **The ICE BofA Merrill Lynch US 3-Month Treasury Bill Index** is comprised of a single issue purchased at the beginning of the month and held for a full month. Indices are unavailable for direct investment. **The Dow Jones Industrial Average**, or simply the Dow, is a stock market index that shows how 30 large, publicly owned companies based in the United States have traded during a standard trading session in the stock market. **Nasdaq** is a global electronic marketplace for buying and selling securities, as well as the benchmark index for U.S. technology stocks. Indices are unavailable for direct investment. **The Wilshire Liquid Alternative Event Driven Index℠** measures the performance of the event-driven strategy component of The Wilshire Liquid Alternative IndexSM. Event-driven strategies predominantly invest in companies involved in corporate transactions such as mergers, restructuring, distressed, buy-backs, or other capital structure changes. The Wilshire Liquid Alternative Event Driven Index (WLIQAED) is designed to provide a broad measure of the liquid alternative event-driven market. **HFRX Event Driven Index** is comprised of investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. **DOJ** or The United States Department of Justice Antitrust Division is a law enforcement agency responsible for enforcing the antitrust laws of the United States. **Standard Deviation** is the degree to which returns vary relative to the average return: The higher the standard deviation, the greater the variability of the investment. **Beta** is a measure of the fund's sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market and a portfolio with a beta less than 1 is less volatile than the market; **Correlation** is calculated using R-Squared; which is a measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. A fund with low R-squared doesn't act much like the index; **A special purpose acquisition company (SPAC)** is a corporation formed by private individuals to facilitate investment through an initial public offering (IPO). The proceeds are used to buy one or more existing companies. **Alpha** is used in finance as a measure of performance, indicating when a strategy, trader, or portfolio manager has managed to beat the market return over some period. Alpha, often considered the active return on an investment, gauges the performance of an investment against a market index or benchmark that is considered to represent the market's movement as a whole.

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

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