Westchester Capital MANAGEMENT

Global

Absolute Return

Catalyst Driven

Q1 2021 Quarterly Review

OVERALL Morningstar Rating™

The Merger Fund® MERFX/MERIX	Investor	★★★★	Out of 91 market neutral funds as of 3/31/2021
	Institutional	★★★★	
Event-Driven Fund WCERX/WCEIX	Investor	☆☆☆☆	Out of 228 multi-alternative funds as of 3/31/2021
	Institutional	★★★★	
Credit Event Fund WCFRX/WCFIX	Investor	★★★★★	Out of 43 long-short credit funds as of 3/31/2021
	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 March 31, 2021

	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)	0.92	0.92	8.66	4.98	n/a	3.80	1.27%	1.25%	1.18%	08/01/2013	MERIX
The Merger Fund (Investor)	0.86	0.86	8.36	4.66	3.12	6.04	1.56%	1.54%	1.47%	01/31/1989	MERFX
Insurance Dedicated Funds[2]											
The Merger Fund VL	2.13	2.13	12.63	5.37	3.22	5.01	1.95%	1.50%	1.40%	05/26/2004	MERVX
Opportunistic Credit[2]											
Credit Event Fund (Institutional)	5.36	5.36	44.56	n/a	n/a	9.42	5.46%	3.97%	1.64%	12/29/2017	WCFIX
Credit Event Fund (Investor)	5.32	5.32	44.82	n/a	n/a	9.28	5.71%	4.22%	1.89%	12/29/2017	WCFRX
Multi Event[2]											
Event-Driven Fund (Institutional)	2.46	2.46	25.07	6.41	n/a	4.75	1.80%	1.80%	1.57%	01/02/2014	WCEIX
Event-Driven Fund (Investor)	2.39	2.39	24.76	n/a	n/a	6.99	2.05%	2.05%	1.82%	03/22/2017	WCERX

	QTD	YTD	1-YR	5-YR	10-YR	15-YR
US Fund Market Neutral	2.50	2.50	4.71	0.79	0.70	0.55
US Fund Multialternative	2.13	2.13	14.54	2.55	1.37	1.41
US Fund Long-Short Credit	1.65	1.65	17.44	3.91	2.79	3.19
S&P 500	6.17	6.17	56.35	16.29	13.91	10.02
Wilshire Liq Alt Event Driven	1.79	1.79	13.62	3.87	1.99	3.02
Barc US Agg Bond	-3.37	-3.37	0.71	3.10	3.44	4.29
ICE BofAML US 3M Trsy Bill	0.03	0.03	0.12	1.19	0.63	1.16

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,

Equities again posted gains in the first quarter, pushing major indexes further into record territory; we would note, however, that we are keeping a close eye on the marked increase in realized volatility towards the end of the first quarter. The S&P 500 extended its YTD gain to 6.17% on the back of two powerful forces – greater than expected stimulus and vaccine progress.

Meanwhile, growth expectations and inflation concerns triggered an increase in U.S. Treasury yields, weighing on fixed income markets. The 10-year US Treasury yield rose from 0.91% to 1.74%, its highest level since early 2020, causing bond prices to fall. Government bond performance tallied the second-worst quarter since 1980.

"THE DEAL ACTIVITY IS OUT OF THIS WORLD."

– Simona Maellare, global co-head of financial sponsors at UBS

Global transaction activity had its strongest start to the year in four decades with more than $1.3 trillion in announced mergers and an increase in domestic and cross-border "mega deals" ($10 billion+), in the majority of sectors and regions. Worldwide, private equity acquisitions rose 116% year-over-year, the strongest first quarter on record.[1]

Transactions greater than $5 billion in firm value grew in value by 92% and volume by 133%; and accounted for 37% of total merger and acquisition ("M&A") activity. Deals over $10 billion rebounded by 37% in value and 50% by number of deals, accounting for 17% of total M&A activity.[2] Special Purpose Acquisition Company ("SPAC") acquisition volume has tripled since 3Q '20, with more than 80% of SPAC mergers in the current quarter targeting the Technology and Industrials sectors. Given that SPAC transaction values typically are priced at approximately 5x their equity contribution, according to Goldman Sachs Group Inc. strategists, SPACs which have raised money so far this year alone could theoretically be looking for $500 billion in transactions.[3]

While SPAC issuances have remained robust, the continuous supply has begun to overwhelm the marketplace, and the level of retail participation has garnered regulatory scrutiny on the level of investor disclosure. We began investing in SPACs over a decade ago, during the great financial crisis, and we continue to view pre-transaction SPACs as an attractive way to capture valuable optionality stemming from positive reactions to deal announcements and exposure to warrants that are bundled with SPAC IPOs, with minimal downside when purchased close to the cash-in-trust value. This asymmetric risk/reward profile is rare and is the mirror image of the asymmetry found in a merger arbitrage investment, which requires a much more selective approach to investment selection. Since we do not have advance knowledge of SPAC targets and we base our IPO interest on factors such as terms, management, sponsor, board and banker's quality, including track record, our view is that a broad portfolio of high quality SPACs is an optimal way to invest in the space. We have previously discussed that a SPAC purchased prior to acquisition completion gives the investor the right to redeem its shares for the cash and interest held in trust, so there is a known floor to the value. Accordingly, the majority of our exposure to SPACs remains in pre-announcement or pre-deal completion scenarios, where we own the redemption "put" as well as the call "poption" that we can exercise in the event of a well-received transaction. Our total global exposure to post-transaction companies is below 0.5% of NAV.

1 Spac boom fuels strongest start for global mergers and acquisitions since 1980, March 31, 2021, FT
2 M&A Insights – Q1 2021, So Far, So Good, Allen & Overy
3 Dealmaking Booms in Hottest First-Quarter Start for Two Decades, April 1, 2021, Bloomberg

MERGER ARBITRAGE

The Merger Fund® advanced by 0.92% for the Institutional share class and 0.86% for the Investor class during the first quarter, its 102nd gain in the 129 quarters since its 1989 inception. The Fund invested in 86 transactions during the quarter and added 23 new positions. Reflecting a roughly 2:1 ratio of winners to losers, 56 positions posted gains, more than offsetting the 30 which had negative marks-to-market. As of the end of March, the fund held 65 positions (long and short counting as one) and was approximately 98% invested.

The biggest winner was laser and photonics manufacturer Coherent Inc. which was the fortunate subject of an eight-round bidding war and accepted a final deal valued at approximately $7 billion with II-VI Incorporated (0.54%), while Churchill Capital Corp IV's acquisition of electric-vehicle startup Lucid Motors Inc., a component of our SPAC holdings, added 0.50%, as both the common stock and warrants moved up smartly. Rounding out our winners was the combination between Inphi Corp/Marvell Technology Group (0.34%), a $10 billion semiconductor deal that received approval by China's State Administration for Market Regulation earlier than expected in March and was completed as of the writing of this letter.

Our largest detractors were a result of generalized spread widening, resulting in negative NAV marks including Cannabis suppliers Aphria Inc. / Tilray Inc. (-0.14%) a leading global cannabis-lifestyle consumer packaged goods company; Change Healthcare Inc./UnitedHealth Group Inc. (-0.13%), and Alexion Pharmaceuticals Inc./AstraZeneca PLC. (-0.12%). As of the writing of this letter, the Aphria transaction has been completed and the other two are still pending.

EVENT DRIVEN

The WCM Alternatives: Event-Driven Fund returned 2.46% and 2.39% for the Institutional and Investor share classes, respectively, over the three months ending March 31, 2021. During the period, the fund participated in 109 events with 74 positions posting gains versus 35 positions with negative marks-to-market. The Fund was fully invested at quarter-end.

Two of the biggest winners were similar to The Merger Fund®. Churchill Capital Corp IV (0.74%) and Coherent Inc./Lumentum Holdings Inc. (0.48%). An additional winner was Tortoise Acquisition Corp. II adding (0.72%) another special-purpose acquisition company (SPAC), which traded sharply higher in February after the SPAC announced a deal to merge with electric-vehicle charging network Volta Industries.

The largest detractor was its holdings in the GSE (Government Sponsored Entities) preferred securities (-0.66%) of Fannie Mae and Freddie Mac, whose recent negative performance this quarter is a function both of a potential significantly extended timeline for the privatization process as well as volatility and timing of the end-of quarter mark. For a refresher, recall that the GSEs have remained in conservatorship since the financial crisis and they continue to be dominant players in America's housing finance system. Although they remain critical to the functioning of that system, they have not yet transitioned back into private entities. There is pending litigation and potential government legislation that may assist with the privatization process. We have calculated that even if the process drags on for several more years, the expected internal rate of return for these investments is extremely attractive. Other detractors in the quarter were Ajax I (-0.17%) and Electricite de France (EDF) (-0.16%). Ajax I is a SPAC that announced $7.0 billion business combination with Cazoo, a leading UK online car retailer (very similar to the U.S. Company Carvana), saw an initial decline upon announcement but subsequently recovered as of the writing of this letter. Electricite de France (EDF) a French energy group that is currently undergoing restructuring negotiations with Paris and Brussels, has experienced some volatility during talks between the parties.

CREDIT EVENT

With a 5.36% (WCFIX) and 5.32% (WCFRX) YTD return, the WCM Alternatives: Credit Event Fund continues to chug along, placing the Fund in the top quintile once again in its Morningstar peer group. Winners outnumbered losers by almost 3:1. The Fund invested in 21 situations throughout the quarter and as of March 31 had 42 credit-event-related investments in the portfolio.

Outside of our continued contributions from SPACS (2.14%), the biggest winner was RentPath LLC (1.76%), an apartment listing company that received court approval for a new Chapter 11 Plan, underpinned by a $608 million sale to real estate listing company Redfin Corp., about four months after federal regulators nixed an earlier sale plan, followed by Claire's Stores (0.45%) whose business continued to improve as the COVID lock down affecting malls have gradually subsided over the last six months.

As with the Event Driven Fund the Credit Event Fund's largest detractor was its investment in the GSE preferred securities (-0.53%).

OUTLOOK

While the agenda for the new administration in Washington continues to evolve, we believe the outlook for merger activity remains promising. As the economy rebounds, companies are incentivized to be positioned for growth with additional capacity and infrastructure. High cash levels and historically low interest rates facilitate acquisition activity as well. This thesis has begun to play out with record quarterly transaction levels, and the bankers with whom we speak generally point out that their pipelines are full and that they are in associate-hiring mode. We have also seen an upsurge in activist positioning, which has spurred several high-profile investigations of strategic alternatives. The large number of deals and corporate events has increased the quality of our investment alternatives and given the volume of deal flow, has caused merger arbitrage spreads to trade wider than one would expect given the 6-month T-Bill is still trading with a 0.30% yield.

On a separate note, we continue to look forward to WCM becoming a part of the Virtus family. We are so excited at the prospect of an affiliation with such a high quality organization such as Virtus, with access to their formidable resources and the accompanying economies of scale that might result. We will keep you all posted in real time as we move forward, and as noted before, we and our partners at Virtus expect nothing to change with regard to our strategy, it's implementation or investor access to the entire team. Please do not hesitate to contact us with any questions or comments… about anything at all.

We look forward to getting out and resuming in-person meetings in the near future. Have a great Spring and Summer – outside!

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 March 31, 2021, were: Willis Towers Watson Public Limited Co. (5.72%), Altaba Inc. (5.30%), Varian Medical Systems, Inc. (4.91%), Alexion Pharmaceuticals, Inc. (4.69%), Inphi Corporation (4.56%), Slack Technologies, Inc. (4.21%), IHS Markit Ltd. (3.87, Maxim Integrated Products, Inc. (3.82%), FLIR Systems, Inc. (3.38%), RSA Insurance Group PLC (2.92%). The Ten Largest Positions as a Percent of Net Assets for The Merger Fund VL as of March 31, 2021, were: Willis Towers Watson Public Limited Co. (5.86%), Altaba Inc. (5.26%), Varian Medical Systems, Inc. (5.04%), Tiffany & Co. (4.71%), Slack Technologies, Inc. (3.80%), Fiat Chrysler Automobiles N.V. (3.63%), Inphi Corporation (3.42%), Maxim Integrated Products, Inc. (3.38%), Eaton Vance Corp. (3.34%), IHS Markit Ltd. (3.30%). The Ten Largest Positions as a Percent of Net Assets for WCM Alternatives: Event-Driven Fund as of March 31, 2021, were: Willis Towers Watson Public Limited Co. (5.77%), Altaba Inc. (5.49%), Varian Medical Systems, Inc. (4.98%), Alexion Pharmaceuticals, Inc. (4.72%), Inphi Corporation (4.56%), Slack Technologies, Inc. (4.40%), Maxim Integrated Products, Inc. (3.82%), FLIR Systems, Inc. (3.47%), Dialog Semiconductor PLC (3.22%), Xilinx, Inc. (2.94%). The Ten Largest Positions as a Percent of Net Assets for WCM Alternatives: Credit Event Fund as of March 31, 2021, were: Altaba Inc. (4.00%), Diamond Resorts Intl. (3.88%), Claire's Stores (3.14%), Bombardier Inc. (3.06%), APX Group (3.05%), Gogo Intermediate Holdings LLC (3.01%), RentPath LLC (2.73%), Tempo Acquisition LLC (2.62%), Watts Guerra PCG (2.60%), Stars Group Holdings (2.44%).

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.

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 May 15, 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 March 31, 2021, The Merger Fund® was rated against the following numbers of U.S.-domiciled Market Neutral funds over the following time periods: 91 funds in the last three years, 76 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 4 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 March 31, 2021, WCM Alternatives: Event-Driven Fund was rated against the following numbers of U.S.-domiciled Multi Alternative funds over the following periods: 228 funds in the last three years and 178 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 4 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 March 31, 2021, 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. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. 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 IndexSM** 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. A **put** option is a contract giving the owner the right, but not the obligation, to sell- or sell short- a specified amount of an underlying security at a pre-determined price within a specified time frame. This pre-determined price that buyer of the put option can sell at is called the strike price. **Call options** are financial contracts that give the option buyer the right, but not the obligation, to buy a stock, bond, commodity or other asset or instrument at a specified price within a specific time period. The stock, bond, or commodity is called the underlying asset. A call buyer profits when the underlying asset increases in price ("poption").

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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