



Westchester Capital
MANAGEMENT

December 30, 2020

Fellow Shareholders,

We were made aware yesterday of a discrepancy between the estimated size of The Merger Fund's annual distribution, which was provided to us in early December (based on gains for the period ending in October), and the actual distribution paid this week.

On behalf of The Merger Fund, we apologize. The underestimate was the result of a calculation error by the Fund's administrator. The administrator inadvertently overstated the number of outstanding Merger Fund shares in calculating the estimate; and although we were able to verify the calculation itself, we were not in a position to verify the share count.

Although after the fact, a mitigating factor to mention is that the Fund's NAV was reduced by the full amount of the distribution, and since investors' cost bases remains unchanged, any taxable gain on a sale of shares will accordingly be reduced by the full amount of the distribution, thus moderating the distribution's tax effect on fund investors.

Again, as manager of the entire Westchester Capital Management family of funds, you have our sincere apologies for understating the size of the realized-gains distribution.

Roy and Mike