

Release Date: 12-31-2018

The Merger Fund VL

Investment Strategy from investment's prospectus

The investment seeks to achieve capital growth by engaging in merger arbitrage. Under normal market conditions, the fund invests at least 80% of its total assets principally in equity securities of companies which are involved in publicly announced mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. It may invest in other investment companies, including exchange-traded funds ("ETFs").

Category Description: Market Neutral

These funds attempt to reduce systematic risk created by factors such as exposures to sectors, market-cap ranges, investment styles, currencies, and/or countries. They try to achieve this by matching short positions within each area against long positions. These strategies are often managed as beta-neutral, dollar-neutral, or sector-neutral. A distinguishing feature of funds in this category is that they typically have low beta exposures (< 0.3 in absolute value) to market indexes such as MSCI World. In attempting to reduce systematic risk, these funds put the emphasis on issue selection, with profits dependent on their ability to sell short and buy long the correct securities.

Operations

Fund Inception Date	05-24-04
Initial Share Class Inception Date	05-24-04
Advisor	Westchester Capital Management LLC
Subadvisor	—

Fees and Expenses as of 04-19-18

Gross Prospectus Expense Ratio	2.57%
Net Prospectus Expense Ratio	1.84%

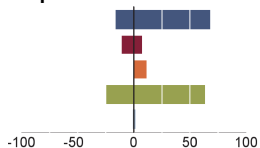
Waiver Data	Type	Exp.Date	%
Expense Ratio	Contractual	04-30-19	0.73

Portfolio Manager(s)

Michael T. Shannon, CFA, M.B.A., University of Western Ontario, 1983. M.A., McGill University, 1980. Since 2007.
 Roy D. Behren, LL.B., New York University. B.S., University of Pennsylvania (Wharton). Since 2007.

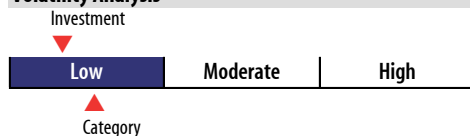
Portfolio Analysis as of 09-30-18

Composition as of 09-30-18	% Net
U.S. Stocks	52.07
Non-U.S. Stocks	-3.22
Bonds	11.60
Cash	38.48
Other	1.07



Top 20 Holdings as of 09-30-18	% Assets
Altaba Inc	11.04
Alibaba Group Holding Ltd ADR	9.36
Twenty-First Century Fox Inc Class B	7.42
Aetna Inc	5.65
Rockwell Collins Inc	5.32
Andeavor	4.62
Marathon Petroleum Corp	3.91
Pinnacle Foods Inc	2.98
Express Scripts Holding Co	2.76
NXP Semiconductors NV	2.61
Gramercy Property Trust	2.28
DowDuPont Inc	2.25
Shire Plc Swap (Baml) 07-02-19	2.15
United Technologies Corp	1.85
CVS Health Corp	1.84
Orbotech Ltd	1.82
KLX Inc	1.76
Gemalto Nv Swap (Baml) 12-19-18	1.62
Huntsman Corp	1.61
Dell-VMWare Tracking Stock V	1.58
Total Number of Stock Holdings	81
Total Number of Bond Holdings	21
Annual Turnover Ratio %	184.00
Total Fund Assets (\$mil)	41.58

Volatility Analysis



In the past, this investment has shown a relatively small range of fluctuations relative to other investments. Based on this measure, currently more than two thirds of all investments have shown higher levels of risk. Consequently, this investment may appeal to investors looking for a conservative investment strategy.

Morningstar Style Box™ as of 09-30-18

Value Blend Growth	Large	Mid	Small	% Mkt Cap
	■			Giant 8.06
				Large 58.35
				Medium 19.96
				Small 7.53
				Micro 6.10

Statistics as of 09-30-18	Stk Port Avg	S&P 500	Category
P/E Ratio	19.50	14.35	16.16
P/B Ratio	1.59	2.73	2.37
P/C Ratio	16.40	11.79	10.04
GeoAvgCap(\$mil)	15,993.64	93,688.30	21,658.40

Risk Measures as of 12-31-18	Port Avg	S&P 500	Category
3 Yr Std Dev	2.87	10.95	4.44
3 Yr Sharpe Ratio	1.01	0.76	0.12
3 Yr Alpha	3.02	—	0.09
3 Yr Beta	-0.14	—	-0.06
3 Yr R-squared	2.19	—	6.00

Morningstar Sectors as of 09-30-18

Sector	%Fund	S&P 500 %
Cyclical	40.42	32.63
Basic Materials	7.66	2.56
Consumer Cyclical	11.12	11.82
Financial Services	17.59	15.83
Real Estate	4.05	2.42
Sensitive	38.87	40.71
Communication Services	0.95	3.58
Energy	11.43	5.32
Industrials	16.39	9.92
Technology	10.10	21.89
Defensive	20.70	26.65
Consumer Defensive	4.23	7.85
Healthcare	16.47	15.46
Utilities	0.00	3.34

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

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