The Merger Fund®

Monthly Performance Update

Fund Information

Inception:	January 31, 1989	Phone:	(914) 741 - 5600
Total Fund Assets:	USD 4.9 billion	Address:	100 Summit Lake Drive Valhalla, NY 10595
Symbol:	MERFX		

As of April 30, 2012, the Fund had a one-month return of 0.32%, equivalent to 1.41% YTD, and 7.06% annualized since inception.

Performance

as of Month-End: April 30, 2012

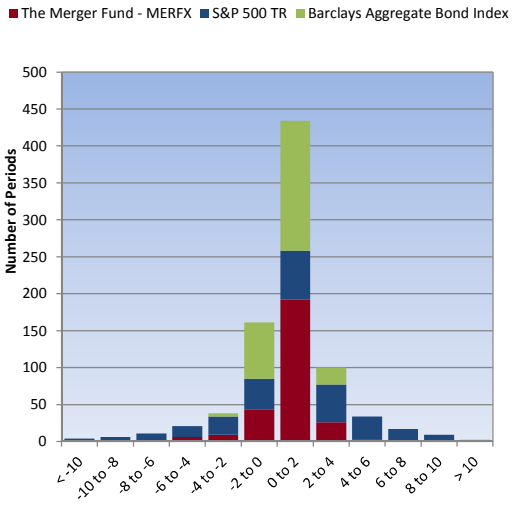
	YTD	3-month	1-year	3-year	5-year	10-year	Since Inception
The Merger Fund®	1.41%	1.35%	0.11%	3.88%	2.39%	3.66%	7.06%
S&P 500 TR	11.88%	7.08%	4.76%	19.46%	1.01%	4.71%	9.24%
Barclays Agg. Bond	1.42%	0.53%	7.56%	7.07%	6.38%	5.72%	7.26%

as of Quarter-End: March 31, 2012

	YTD	3-month	1-year	3-year	5-year	10-year	Since Inception
The Merger Fund®	1.09%	1.09%	0.35%	4.01%	2.47%	3.48%	7.07%
S&P 500 TR	12.58%	12.58%	8.53%	23.42%	2.01%	4.12%	9.31%
Barclays Agg. Bond	0.31%	0.31%	7.73%	6.85%	6.26%	5.80%	7.24%

As of the latest Prospectus, the gross expense ratio for the Fund is 1.68%. Performance data quoted represents 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 Fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling (800) 343-8959 or by visiting www.mergerfund.com.

Distribution of Returns



Historical Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	0.06%	0.83%	0.19%	0.32%									1.41%
2011	0.95%	0.44%	1.00%	0.56%	0.18%	-0.25%	-1.23%	-2.00%	-0.83%	1.80%	0.76%	0.33%	1.66%
2010	0.77%	0.45%	0.51%	-0.44%	-1.40%	0.39%	1.28%	0.38%	0.57%	0.13%	0.31%	0.44%	3.42%
2009	0.21%	-0.28%	2.59%	0.68%	0.00%	1.49%	0.33%	0.80%	0.59%	0.79%	0.39%	0.65%	8.53%
2008	-2.80%	0.89%	-1.90%	2.08%	1.49%	-2.87%	1.93%	2.16%	-2.31%	-1.15%	-0.62%	1.04%	-2.25%
2007	1.02%	0.82%	0.88%	0.69%	1.11%	0.18%	-0.61%	1.48%	0.24%	1.21%	-2.99%	-1.03%	2.95%
2006	1.91%	1.40%	0.73%	0.20%	0.39%	1.69%	0.58%	0.89%	0.63%	0.69%	0.25%	1.12%	10.98%
2005	-0.45%	0.07%	-0.07%	-0.52%	1.31%	0.13%	1.42%	0.45%	0.00%	-3.11%	0.78%	0.87%	0.81%
2004	1.12%	0.07%	0.45%	-0.45%	0.13%	-0.65%	-1.89%	0.60%	-0.07%	0.33%	1.19%	1.91%	2.72%
2003	0.51%	-0.14%	-0.07%	1.60%	1.64%	1.76%	1.11%	0.75%	0.68%	0.88%	0.80%	1.03%	11.05%
2002	0.41%	-1.89%	0.76%	-1.43%	0.83%	-5.28%	-5.22%	2.75%	0.15%	0.74%	2.58%	0.16%	-5.67%
2001	1.61%	0.82%	-1.38%	1.21%	1.64%	-1.55%	1.89%	0.80%	-3.43%	1.52%	-0.75%	-0.24%	2.01%
2000	1.49%	1.81%	1.64%	1.55%	0.89%	1.70%	1.43%	1.77%	1.62%	0.95%	1.47%	-0.02%	17.56%
1999	0.59%	1.76%	1.15%	1.56%	1.54%	2.69%	1.54%	0.53%	1.05%	1.11%	2.77%	-0.12%	17.38%
1998	-0.71%	1.57%	0.07%	1.61%	-0.07%	2.00%	-0.07%	-5.21%	-0.79%	2.45%	2.46%	2.18%	5.35%
1997	0.64%	0.00%	0.49%	-0.14%	2.46%	1.51%	0.94%	1.80%	0.79%	0.46%	1.49%	0.67%	11.66%
1996	1.13%	1.47%	1.17%	0.75%	1.15%	0.47%	-0.67%	1.27%	0.93%	0.00%	1.05%	0.82%	9.95%
1995	1.90%	1.19%	0.66%	-0.66%	0.66%	1.68%	1.94%	1.34%	1.60%	0.27%	1.64%	1.10%	14.13%
1994	1.16%	-0.38%	0.23%	1.07%	0.68%	0.90%	0.97%	1.69%	0.58%	-0.43%	-0.72%	1.20%	7.14%
1993	2.09%	0.66%	-0.49%	1.31%	1.29%	2.79%	1.96%	1.14%	0.68%	1.50%	1.11%	2.40%	17.69%
1992	1.67%	0.00%	0.58%	-0.08%	-0.57%	-0.58%	3.07%	1.13%	0.79%	0.79%	-3.44%	2.01%	5.35%
1991	0.46%	0.28%	2.93%	2.76%	0.61%	1.55%	1.87%	0.58%	0.17%	0.83%	2.54%	1.14%	16.84%
1990	-5.83%	1.68%	3.38%	0.62%	2.63%	0.51%	-2.13%	-0.52%	-7.60%	3.12%	4.86%	1.15%	1.09%
1989	n/a	0.99%	2.94%	0.73%	0.65%	1.29%	2.22%	2.33%	-4.86%	-4.15%	0.25%	4.63%	6.82%

Statistical Analysis

	Annualized Return	Standard Deviation	Sharpe Ratio	Alpha	Beta	R-Squared	Max Drawdown	Max Drawdown Length	Months to Recover	Percent Profitable Periods
The Merger Fund®	7.06%	5.33%	1.31	0.05	0.16	0.21	-14.03%	11	16	78.85%
S&P 500 TR	9.24%	15.04%	0.66	0.00	1.00	1.00	-50.95%	16	-	63.44%
Barclays Agg. Bond	7.26%	3.82%	1.86	0.07	0.04	0.02	-5.15%	5	8	71.33%

Past performance does not guarantee future results.

The Merger Fund®

Monthly Portfolio Composition

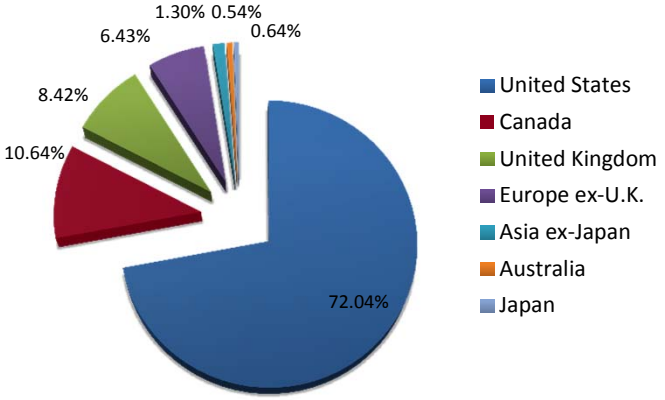
As of April 30, 2012

Position Summary

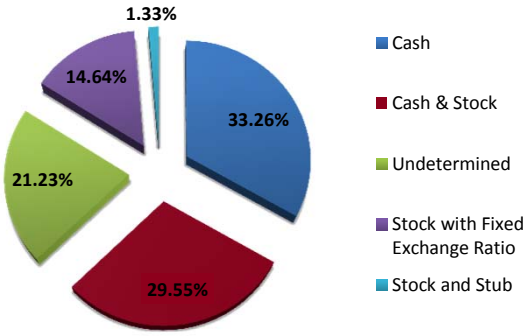
Top five positions as % of net assets:	30.57%
Average position size:	1.27%
Number of long positions[1]:	71
Number of short positions[1]:	18
% Invested:	90.47%
Short positions as a % of net assets:	13.49%

[1] It is important to note that long positions, net of short positions ("Net Exposure"), is not an accurate indicator of the Fund's directional exposure and has limited informational value. The Fund's Net Exposure is dependent upon the structure and consideration paid to the target company in each of our investments. A portfolio with a greater concentration of cash deals, for example, will have a higher Net Exposure calculation than a portfolio composed primarily of stock-for-stock transactions, yet both portfolios will have the same level of market correlation, or directional exposure. Our positions are typically fully hedged to neutralize such exposure, in order to minimize equity market correlation and volatility.

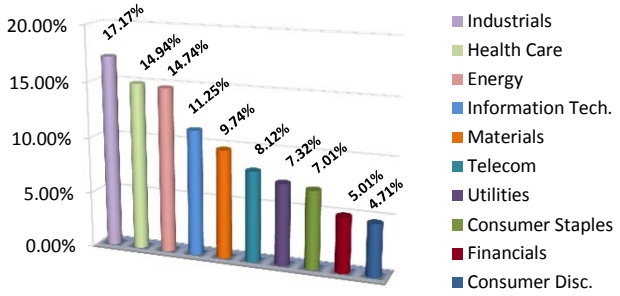
Regional Exposure



By Deal Terms



Sector Breakdown



Must be preceded or accompanied by a current prospectus or summary prospectus.

Fund holdings and asset allocation are subject to change at any time and are not recommendations to buy or sell any security. Performance data included herein for periods prior to 2011 reflect that of Westchester Capital Management, Inc., the Fund's prior investment adviser. The Fund's net operating expenses are 1.33% which exclude acquired fund fees and expenses, interest expense, borrowing expense on securities sold short and dividends on securities sold short.

Mutual fund investing involves risk. Principal loss is possible. The principal risk associated with the Fund's merger arbitrage investment strategy is that certain of the proposed reorganizations in which the Fund invests may be renegotiated or terminated, in which case losses may be realized. Investments in foreign companies involved in pending mergers, takeovers and other corporate reorganizations may entail political, cultural, regulatory, legal and tax risks different from those associated with comparable transactions in the United States. Merger arbitrage portfolios may have higher turnover rates than portfolios of typical long-only funds. This may result in increased transaction costs to the Fund, which could impact the Fund's performance.

Definitions: **The S&P 500** is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. **The Barclays Aggregate Bond Index** is an intermediate term index comprised of investment grade bonds. Indices are unavailable for direct investment. **Standard Deviation** is the degree by which returns deviate relative to the average return. The higher the standard deviation, the greater the variability of the investment; **Sharpe Ratio** measures reward vs. risk. 3-month T-Bill used for risk-free rate. A higher number is more favorable; **Alpha** is a measure of performance on a risk-adjusted basis. The excess return of the fund relative to the return of the benchmark index is a funds alpha; **Beta** measures the volatility of the fund, as compared to that of the overall market. The market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile; **R-Squared** is a statistical measure that represents the percentage of a fund or securitys movements that can be explained by movements in a benchmark index. A high R-squared (between 85 and 100) indicates the fund's performance patterns have been in line with the index. A fund with a low R-squared (70 or less) doesn't act much like the index; **Maximum Drawdown** is measured from the time a retrenchment begins to when a new high is reached. Drawdowns help determine an investment's financial risk; **Months to Recover** measures the amount of time it took for an investment to recover from the referenced drawdown.

The Merger Fund® is distributed by Quasar Distributors, LLC.

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