

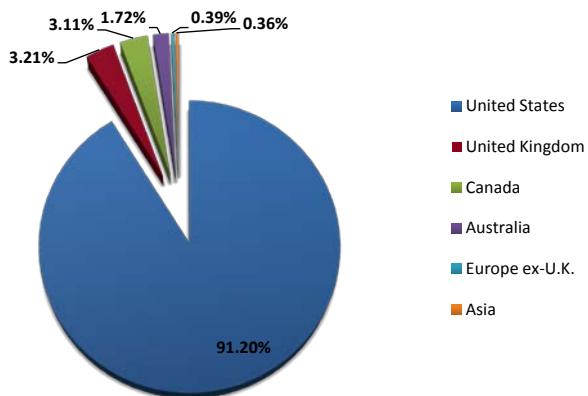
As of December 31, 2011

QTD 2011: 2.90%  
YTD 2011: 1.66%

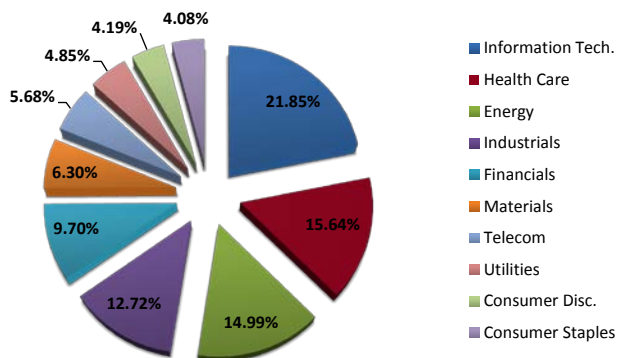
Total Fund Assets: \$5.0 billion  
Assets in the Strategy: \$5.3 billion

Portfolio Snapshot

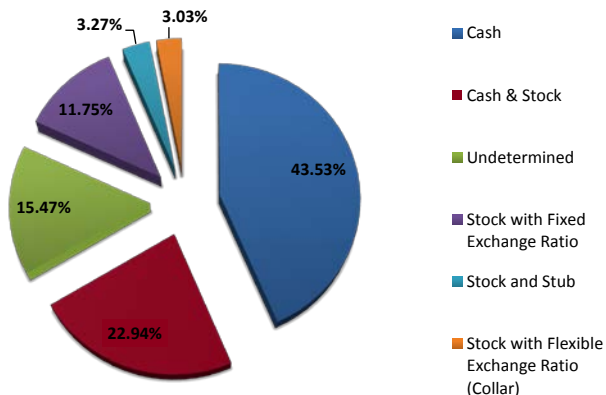
REGIONAL EXPOSURE



SECTOR EXPOSURE



BY DEAL TERMS



FUND FACTS

Portfolio Characteristics

Inception Date:	January 1989
Net Expense Ratio <sup>1</sup> :	1.41%
Total Operating Expense <sup>1,2</sup> :	2.61%
Portfolio Turnover Rate <sup>1</sup> :	192.21%

PORTFOLIO

Equity Investments

Number of Long Positions:	62
Number of Short Positions:	16
Average Position Size:	1.31%
Year-end % Invested:	84.22%
Short positions as a % of net assets:	8.52%

Top Ten Positions

Goodrich Corporation
Synthes, Inc.
Motorola Mobility Holdings, Inc.
El Paso Corporation
NetLogic Microsystems Inc.
Temple-Inland Inc.
SuccessFactors, Inc.
Dollar Thrifty Automotive Group, Inc.
Constellation Energy Group, Inc.
AT&T Inc.

Type of Buyer

Strategic	96.80%
Financial	3.20%

By Deal Type

Friendly	93.62%
Hostile	6.38%

Fund holdings and asset allocation are subject to change at any time and are not recommendations to buy or sell any security.

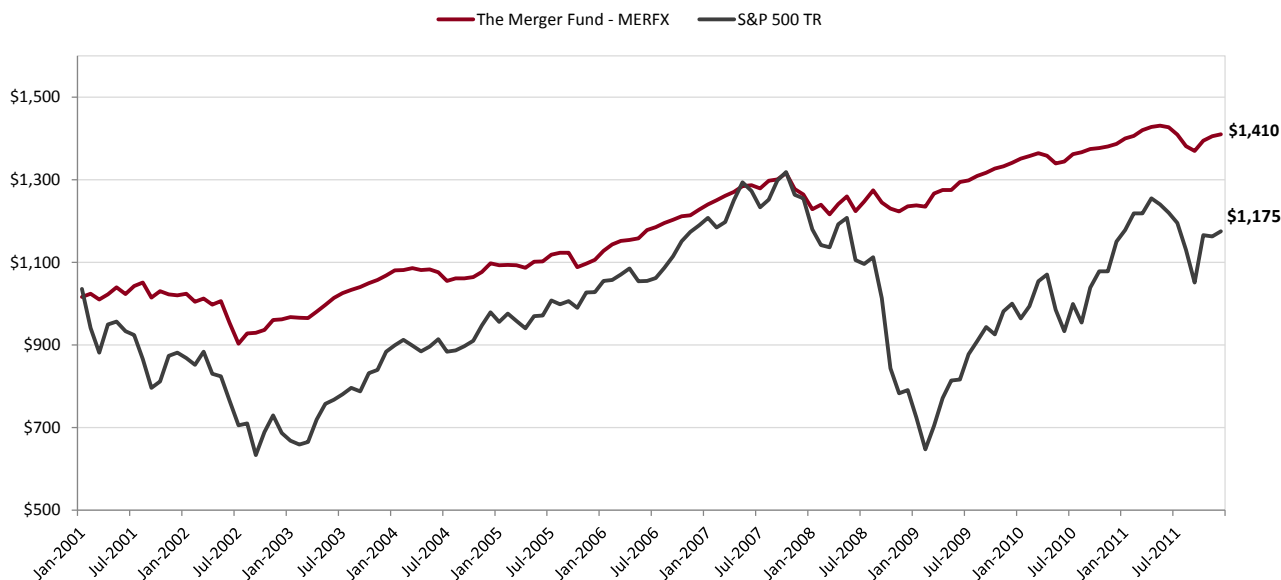
<sup>1</sup>For period 10/1/09 to 9/30/10.

<sup>2</sup>Includes interest expense, borrowing expense on securities sold short and dividends on securities sold short.

TOP WINNERS		TOP LOSERS	
Deal	Attribution	Deal	Attribution
Dollar Thrifty Automotive Group	0.64%	Macro Portfolio Hedge	-0.20%
British Sky Broadcasting Group	0.25%	Pharmasset, Inc.	-0.07%
Synthes, Inc.	0.22%	EXCO Resources, Inc.	-0.06%
NYSE Euronext	0.20%		
Goodrich Corporation	0.15%		
Motorola Mobility Holdings, Inc.	0.13%		

Performance Summary

10-Year Cumulative Change in Value of a \$1,000 Investment



Past performance is no guarantee of future results.

Total return and average annual returns are historical and reflect changes in share price, reinvestment of dividends and capital gains and are net of expenses. Current performance may be lower or higher than the figures shown. Investment return and principal value will fluctuate so, upon redemption, shares may be worth more or less than their original cost. Performance data included herein for periods prior to 2011 reflect that of Westchester Capital Management, Inc., the Fund's prior investment advisor. To obtain the most recent month end performance information and a prospectus or summary prospectus, please call (800) 343-8959 or visit [www.mergerfund.com](http://www.mergerfund.com).

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. The prospectus or summary prospectus, which contains more complete information about this and other matters, should be read carefully before investing.

The S&P 500 TR is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. It is shown with dividends reinvested. You cannot invest directly in the index.