

The Merger Fund VL

Monthly Performance Update

Fund Information

Inception:	May 26, 2004	Phone:	(914) 741 - 5600
Total Fund Assets:	USD 14.9 million	Address:	100 Summit Lake Drive Valhalla, NY 10595
Total Strategy Assets:	USD 5.1 billion		

As of April 30, 2012, the Fund had a one-month return of 0.38%, equivalent to 1.53% YTD, and 6.59% annualized since inception.

Performance

Distribution of Returns

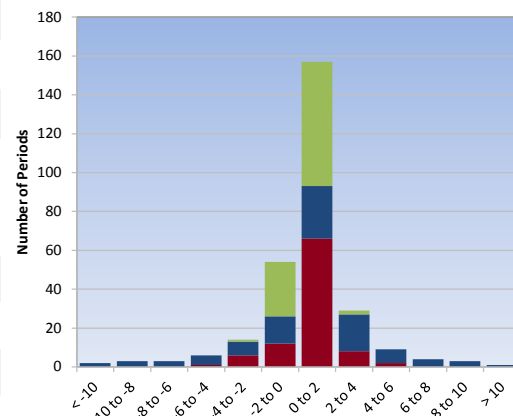
as of Month-End: April 30, 2012

	1-month	3-month	YTD	1-year	3-year	5-year	Since Inception
The Merger Fund VL	0.38%	1.63%	1.53%	-1.42%	4.53%	4.18%	6.59%
S&P 500 TR	-0.63%	7.08%	11.88%	4.76%	19.46%	1.01%	4.96%
Barclays Agg. Bond	1.11%	0.53%	1.42%	7.56%	7.07%	6.38%	5.75%

as of Quarter-End: March 31, 2012

	1 month	3 month	YTD	1-year	3-year	5-year	Since Inception
The Merger Fund VL	0.28%	1.14%	1.14%	-0.93%	4.83%	4.29%	6.61%
S&P 500 TR	3.29%	12.58%	12.58%	8.53%	23.42%	2.01%	5.10%
Barclays Agg. Bond	-0.55%	0.31%	0.31%	7.73%	6.85%	6.26%	5.66%

■ The Merger Fund VL - MERVX ■ S&P 500 TR ■ Barclays Aggregate Bond Index



Performance is calculated for the period from June 1, 2004, the first full month of the life of the Fund, through March 2012. 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 contacting your financial advisor or the offering insurance company or by calling (800) 343-8959.

Historical Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	-0.10%	0.96%	0.28%	0.38%									1.53%
2011	0.91%	0.45%	1.61%	0.88%	0.00%	-0.35%	-1.66%	-2.85%	-1.19%	2.13%	0.82%	0.24%	0.88%
2010	0.56%	0.74%	0.74%	-0.27%	-1.93%	0.84%	1.30%	0.83%	1.18%	0.45%	0.18%	0.59%	5.29%
2009	0.71%	-0.50%	4.04%	1.26%	0.77%	0.57%	0.57%	1.13%	0.74%	0.09%	0.55%	1.34%	11.80%
2008	-2.61%	2.37%	-1.51%	4.40%	3.62%	-3.59%	2.55%	2.68%	-3.17%	-2.50%	0.10%	1.85%	3.80%
2007	1.30%	1.45%	0.42%	0.92%	1.99%	-0.24%	-1.55%	1.16%	0.25%	1.31%	-4.36%	-0.39%	2.11%
2006	2.37%	1.96%	1.31%	0.52%	1.29%	3.05%	0.58%	1.55%	0.81%	0.80%	0.08%	1.14%	16.56%
2005	0.00%	0.09%	0.94%	0.00%	1.31%	0.46%	1.38%	0.72%	0.27%	-3.67%	1.86%	1.19%	4.53%
2004						0.30%	-1.40%	1.52%	0.80%	0.79%	1.97%	2.32%	6.42%

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 VL	6.59%	5.33%	1.22	0.05	0.20	0.33	-7.22%	3	4	80.00%
S&P 500 TR	4.96%	15.71%	0.39	-	1.00	1.00	-50.95%	16	-	64.21%
Barclays Agg. Bond	5.75%	3.33%	1.69	0.06	0.01	0.00	-3.82%	7	2	69.47%

Past performance does not guarantee future results.

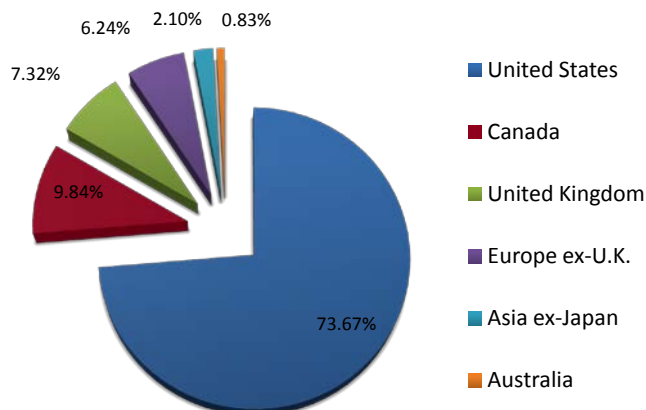
As of April 30, 2012

Position Summary

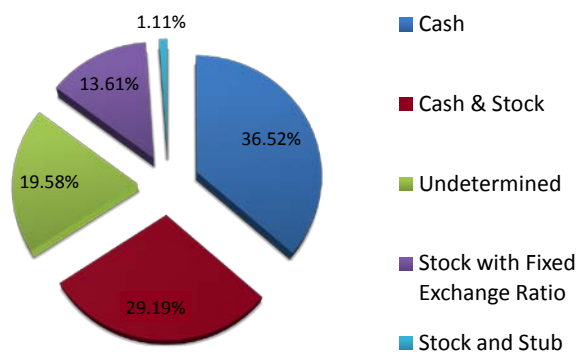
Top five positions as % of net assets:	31.95%
Average position size:	1.46%
Number of long positions ¹ :	67
Number of short positions ¹ :	17
% Invested:	98.00%
Short positions as a % of net assets:	14.71%

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.

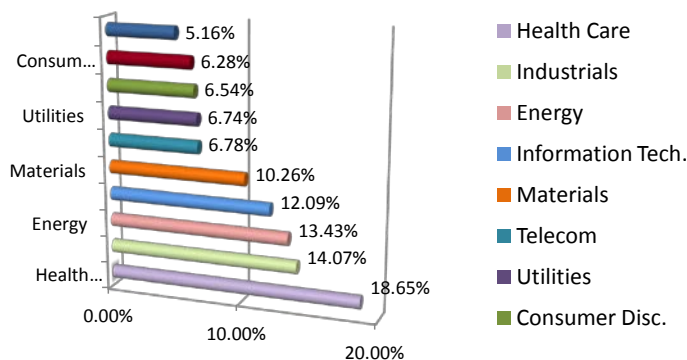
Regional Exposure



By Deal Terms



Sector Breakdown



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

The Merger Fund VL is available through variable products offered by third-party insurance companies. Performance data included herein for periods prior to 2011 reflect that of Westchester Capital Management, Inc., the Fund's prior investment advisor.

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. 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 fund's 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 security's 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.