



# A Guide to Virtus Closed-End Funds

FOR INVESTORS IN PURSUIT OF INCOME AND TOTAL RETURN

**VIRTUS**  
INVESTMENT PARTNERS



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INVESTMENT PARTNERS

Virtus Investment Partners is a distinctive partnership of boutique investment managers singularly committed to long-term investor success.

Virtus Closed-End Funds are managed by several of our investment affiliates, all experts in their fields and specialists in this unique marketplace. They are designed with the objective of leveraging the advantages of the closed-end fund structure while providing investors with access to the specialized expertise of Virtus' investment managers.

# Virtus Closed-End Fund Managers

 <p><b>DUFF &amp; PHELPS</b> INVESTMENT MANAGEMENT CO. A VIRTUS INVESTMENT PARTNER</p>	<p>Duff &amp; Phelps Investment Management Co. is a Chicago-based investment management affiliate of Virtus Investment Partners. The firm's product mix includes global utilities, real estate, and infrastructure, as well as NDT/taxable institutional portfolios. Each product is managed with a disciplined philosophy, style, and process, consistent with the firm's expertise in income-producing securities.</p>
 <p><b>Newfleet</b> ASSET MANAGEMENT A Virtus Investment Partner</p>	<p>Newfleet Asset Management, LLC is a Hartford, Connecticut-based investment management affiliate of Virtus Investment Partners. The firm provides comprehensive fixed income portfolio management, including multi-sector, enhanced core, and core strategies.</p> <p>Its multi-sector strategy diversifies across 14 sectors of the bond market, leveraging the opportunity spread sector investing offers for generating higher yields than Treasuries. Additionally, Newfleet's expertise is available in dedicated sector strategies such as bank loans and high yield.</p>
 <p><b>Zweig</b> Advisers A VIRTUS INVESTMENT PARTNER</p>	<p>Zweig Advisers LLC is a New York-based investment management affiliate of Virtus Investment Partners. The firm, which specializes in the management of closed-end funds, employs a tactical investment strategy that seeks to generate strong returns over market cycles. Market exposure is managed through the opportunistic use of cash.</p>

Fund Name	Inception Date	Adviser/Subadviser	Investment Objective	Investment Strategy	Distribution		Covered Call Strategy	Leverage*
					Frequency	Policy		
<b>DNP Select Income Fund Inc.</b> <sup>1,2,3,4,5</sup> NYSE: DNP	1/21/87	Adviser: Duff & Phelps Investment Management Co.	Current income and long-term growth of income, with a secondary objective of capital appreciation	Invests primarily in a diversified portfolio of equity and fixed income securities of companies in the public utilities industry, at least 65% which are engaged in the production, transmission, or distribution of electric energy, gas, or telephone services.	Monthly	Managed distribution	Can be employed	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>Duff &amp; Phelps Global Utility Income Fund Inc.</b> <sup>1,4,5,6</sup> NYSE: DPG	7/29/11	Adviser: Duff & Phelps Investment Management Co.	Total return, resulting <i>primarily</i> from (i) a high level of current income, with an emphasis on providing tax-advantaged dividend income, and (ii) growth in current income, and <i>secondarily</i> from capital appreciation	Invests primarily in dividend paying equities of domestic and foreign utilities in the electric, gas, water, telecommunications, and midstream energy sectors. It also may invest up to 25% of total assets in Master Limited Partnerships.	Quarterly	Declared quarterly	Opportunistic/Limited	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>Duff &amp; Phelps Utility and Corporate Bond Trust Inc.</b> <sup>2,5,10</sup> NYSE: DUC	1/29/93	Adviser: Duff & Phelps Investment Management Co.	High current income consistent with investing in securities of investment grade quality	Invests substantially all of its assets in a diversified portfolio of utility income securities, corporate income securities, mortgage-backed securities, and asset-backed securities.	Monthly	Declared monthly	Can be employed	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>DTF Tax-Free Income Inc.</b> <sup>2,8,9,10,11</sup> NYSE: DTF	11/29/91	Adviser: Duff & Phelps Investment Management Co.	Current income exempt from regular federal income tax, consistent with the preservation of capital	Invests primarily in a diversified portfolio of investment-grade tax-exempt obligations, consisting of high-quality essential services revenue bonds and general obligation bonds.	Monthly	Declared monthly	None	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>Virtus Total Return Fund</b> <sup>5,7</sup> NYSE: DCA	2/24/05	Adviser: Virtus Investment Advisers, Inc.  Subadvisers: Duff & Phelps Investment Management Co. and Newfleet Asset Management, LLC	Total return, consisting of both capital appreciation and current income	Invests in approximately 60% equity and 40% fixed income.  >The equity portion invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries.  >The fixed income portion seeks to capitalize on opportunities across 14 sectors of the bond markets, including evolving, specialized, and out-of-favor sectors.	Quarterly	Level distribution	None	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>Virtus Global Multi-Sector Income Fund</b> <sup>2,5,12,13</sup> NYSE: VGI	2/23/12	Adviser: Virtus Investment Advisers, Inc.  Subadviser: Newfleet Asset Management, LLC	High current income and total return	Invests across 14 sectors of the global bond markets, including evolving, specialized, and out-of-favor sectors.	Monthly	Level distribution	None	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>Zweig Fund, Inc.</b> <sup>1</sup> NYSE: ZF	10/2/86	Adviser: Zweig Advisers LLC	Capital appreciation, with income as a secondary objective	Invests primarily in large capitalization companies, with an emphasis on current income generated by the portfolio's equity securities.	Quarterly	Managed distribution	Can be employed	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets
<b>Zweig Total Return Fund, Inc.</b> <sup>1,14</sup> NYSE: ZTR	9/30/88	Adviser: Zweig Advisers LLC	Total return, consisting of capital appreciation and income	The equity portion invests primarily in domestic large capitalization companies with emphasis on current income.  The fixed income portion generally invests in U.S. government securities and investment grade corporate bonds; however, may also invest in high yield bonds and foreign issuers.	Monthly	Managed distribution	Can be employed	Up to 33 <sup>1</sup> / <sub>3</sub> % of total assets

\*Leverage can be employed up to 33<sup>1</sup>/<sub>3</sub>% of total assets for borrowings only and up to 50% of total assets if preferreds are issued. When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.

# Important Risk Considerations

<sup>1</sup>The market price of equity securities may be affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.

<sup>2</sup>Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a security may fail to make payments in a timely manner. Values of debt securities may rise and fall in response to changes in interest rates. This risk may be enhanced with longer term maturities.

<sup>3</sup>Preferred stocks may decline in price, fail to pay dividends, or be illiquid.

<sup>4</sup>Investments in Master Limited Partnerships (MLPs) may be impacted by tax law changes, regulation, or factors affecting underlying assets.

<sup>5</sup>Investing internationally involves additional risks such as currency, political, accounting, economic, and market risk.

<sup>6</sup>The writing of listed and unlisted call options on equities held by a fund (covered call-writing) may involve certain costs and risks such as liquidity, market, management, counterparty, and the risk that a position could not be closed when most advantageous.

<sup>7</sup>A fund that focuses its investments in infrastructure-related companies will be more sensitive to conditions affecting their business or operations.

<sup>8</sup>Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

<sup>9</sup>Noncompliant conduct by a municipal bond issuer, or adverse interpretations, could cause interest from a security to become taxable, subjecting shareholders to increased tax liability.

<sup>10</sup>A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector.

<sup>11</sup>A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

<sup>12</sup>There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

<sup>13</sup>Changes in interest rates can cause both extension and prepayment risks for asset and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.

<sup>14</sup>U.S. government securities may be subject to price fluctuations. An agency may default on an obligation not backed by the United States. Any guarantee on U.S. government securities does not apply to the value of the fund's shares.

An investment in a fund may lose value and shares may be worth less when sold than when bought.

There can be no assurance that a fund will achieve its investment objectives.

This information does not represent an offer, or the solicitation of an offer, to buy or sell securities of any of the funds listed.

Shares of closed-end investment companies trade in the market above, at, and below net asset value. This characteristic is a risk separate and distinct from the risk that a fund's net asset value could decline. A fund is not able to predict whether its shares will trade above, below, or at net asset value in the future.

Under a fund's managed or level distribution policy, a return of capital is not taxable; rather it reduces a shareholder's tax basis in his or her shares of the fund. The Board of Directors of a fund may reduce the fund's monthly distribution rate in the future or terminate or suspend its managed or level distribution policy at any time. Any such reduction in the monthly distribution rate, termination, or suspension could have an adverse effect on the market price of the fund's shares.

# The Facts About Closed-End Funds

## WHAT IS A CLOSED-END FUND?

A closed-end fund is an investment company with a fixed number of shares that typically trades on a major stock exchange, such as the New York Stock Exchange (NYSE), following an initial public offering (IPO). Once capital is raised through the IPO for the fund's creation, the fund is "closed" and no additional new shares will be issued by the fund. Closed-end funds are actively managed according to the fund's stated investment objective, and may be invested in stocks, bonds, derivatives, alternative investments, or a combination of securities.

## THE POTENTIAL ADVANTAGES CLOSED-END FUNDS OFFER OVER TRADITIONAL MUTUAL FUNDS

- Closed-end fund shares are purchased and sold throughout the trading day. Because a closed-end fund's shares are publicly traded, its portfolio managers are not required to buy securities for the fund or sell securities the fund holds to meet cash flow demands at inopportune times, resulting in a more stable asset base.
- For investors seeking income, closed-end funds are attractive for the distributions they pay on a scheduled basis (usually monthly or quarterly), although the amount paid will vary based on fund performance.
- Closed-end funds may employ leverage – borrowing capital or issuing preferred shares – to invest in more assets, which increases risk but can potentially enhance return.
- Closed-end funds tend to have lower expense ratios and do not charge annual 12b-1 fees, which may contribute to stronger long-term performance; however, investors must pay a brokerage commission to purchase and sell closed-end fund shares.

## WHAT DOES IT MEAN WHEN A CLOSED-END FUND SELLS AT A DISCOUNT OR PREMIUM?

A closed-end fund's share price is determined by supply and demand among investors, and its net asset value (NAV) may differ from its market price. Fund shares selling above NAV are trading at a premium, while shares selling below NAV are trading at a discount. Factors that may influence whether a fund trades at a premium or a discount include market conditions, fund performance, and yield. Closed-end funds trading at a discount offer investors the opportunity to purchase the underlying assets at a discounted price, which may lead to enhanced returns.

## WHAT IS THE DIFFERENCE BETWEEN A MANAGED DISTRIBUTION AND A LEVEL DISTRIBUTION?

A *managed distribution policy* means that the same distribution (cents or percent) is made, regardless of the amount of investment income available. When sufficient investment income is not available, the fund will distribute short- or long-term capital gains and/or return capital to its shareholders in order to meet the distribution rate. A *level distribution* is similar to a managed distribution policy, except that a fund may not make multiple distributions of long-term capital gains pursuant to a level distribution policy. For both managed and level distribution policies, when sufficient investment income is not available or the investment income generated for a period of time is greater than the amount distributed, the distribution rate may be reset lower or higher, as determined by the level of income earned by the fund.

## HOW DO YOU BUY A CLOSED-END FUND?

Closed-end funds can be purchased through a broker-dealer or financial advisor. Because they are traded on the secondary market, there is no minimum purchase or sale requirement.

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Please contact us for information about Virtus Closed-End Funds.  
1.800.243.4361 or visit [www.Virtus.com](http://www.Virtus.com)

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