



NEWS RELEASE

Virtus AllianzGI Diversified Income & Convertible Fund Discloses Sources of Distribution - Section 19(a) Notice

1/18/2022

HARTFORD, Conn., Jan. 18, 2022 /PRNewswire/ -- **Virtus AllianzGI Diversified Income & Convertible Fund** (NYSE: ACV) previously announced on December 17, 2021 that it will institute a managed distribution plan and increase its monthly distribution rate to \$0.18 per share effective with the following monthly distribution:

Amount of Distribution	Ex-Date	Record Date	Payable Date
\$0.18	January 12, 2022	January 13, 2022	February 1, 2022

Under the terms of its Managed Distribution Plan, the Fund will seek to maintain a consistent distribution level that may be paid in part or in full from net investment income and realized capital gains, or a combination thereof. Shareholders should note, however, that if the Fund's aggregate net investment income and net realized capital gains are less than the amount of the distribution level, the difference will be distributed from the Fund's assets and will constitute a return of the shareholder's capital. You should not draw any conclusions about the Fund's investment performance from the amount of this distribution or from the terms of the Fund's Managed Distribution Plan.

The Fund provided this estimate of the sources of the distributions:

Distribution Estimates	January 2022 (MTD)		Fiscal Year-to-Date (YTD)(1)	
	Per Share Amount	Percentage of Current Distribution	Per Share Amount	Percentage of Current Distribution
(Sources)				
Net Investment Income	\$ -	0.0%	\$ -	0.0%
Net Realized Short-Term Capital Gains	0.180	100.0%	5.664	72.5%

Net Realized Long-Term Capital Gains	-	0.0%	2.152	27.5%
Return of Capital (or other Capital Source)	-	0.0%	-	0.0%
Total Distribution	\$ 0.180	100.0%	\$ 7.816	100.0%

(1) Fiscal year started February 1, 2021. Fiscal YTD includes the special distribution of \$5.7985 paid January 10, 2022.

Information regarding the Fund's performance and distribution rates is set forth below. Please note that all performance figures are based on the Fund's NAV and not the market price of the Fund's shares. Performance figures are not meant to represent individual shareholder performance.

December 31, 2021	
Average Annual Total Return on NAV for the 5-year period (2)	20.91%
Current Fiscal YTD Annualized Distribution Rate (3)	7.06%
Fiscal YTD Cumulative Total Return on NAV (4)	8.95%
Fiscal YTD Cumulative Distribution Rate (5)	6.01%

- (2) Average Annual Total Return on NAV is the annual compound return for the five-year period. It reflects the change in the Fund's NAV and reinvestment of all distributions.
- (3) Current Fiscal YTD Annualized Distribution Rate is the current distribution rate (\$0.18 per share) annualized as a percentage of the Fund's NAV at month end.
- (4) Fiscal YTD Cumulative Total Return on NAV is the percentage change in the Fund's NAV from the first day of the fiscal year to this month end, including distributions paid and assuming reinvestment of those distributions.
- (5) Fiscal YTD Cumulative Distribution Rate is the dollar value of distributions from the first day of the fiscal year to this month end as a percentage of the Fund's NAV at month end, excluding the special distribution of \$5.7985 announced in December 2021. The Fiscal YTD Cumulative Distribution Rate would be 24.97% if the special distribution was included.

The amounts and sources of distributions reported in this notice are estimates only and are not being provided for tax reporting purposes. The actual amounts and sources of the distributions for tax purposes will depend on the Fund's investment experience during the remainder of its fiscal year and may be subject to changes based on tax regulations. The Fund or your broker will send you a Form 1099-DIV for the calendar year that will tell you what distributions to report for federal income tax purposes.

About the Fund

Virtus AllianzGI Diversified Income & Convertible Fund is a diversified closed-end fund that seeks to provide total return through a combination of current income and capital appreciation, while seeking to provide downside protection against capital loss. The Fund normally invests at least 50% of total managed assets in convertibles. Virtus Investment Advisers, Inc. is the investment adviser to the Fund and **Allianz Global Investors** is its subadviser.

For more information on the Fund, contact shareholder services at (800) 254-5197, by email at closedendfunds@virtus.com, or through the **Closed-End Funds** section of virtus.com.

Fund Risks

An investment in a fund is subject to risk, including the risk of possible loss of principal. A fund's shares may be worth less upon their sale than what an investor paid for them. Shares of closed-end funds may trade at a premium or discount to their net asset value. For more information about each fund's investment objective and risks, please see the Fund's annual report. A copy of the Fund's most recent annual report may be obtained free of charge by contacting "Shareholder Services" as set forth at the end of this press release.

About Allianz Global Investors

Allianz Global Investors or AllianzGI is a leading active asset manager with over 750 investment professionals in 25 offices worldwide and manages assets for individuals, families, and institutions. The investment team has extensive experience managing closed-end funds and a differentiated, multi-asset approach based on fundamental research designed to dynamically allocate across convertible securities and equities.

About Virtus Investment Partners

Virtus Investment Partners (NASDAQ: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors. The company provides investment management products and services through its affiliated managers and select subadvisers, each with a distinct investment style, autonomous investment process, and individual brand. For more information, visit virtus.com.

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