

**Virtus Multi-Sector Short Term Bond Fund**  
**Section 19(a) Notice**

**August 2010:**

The Virtus Multi-Sector Short Term Bond Fund (the "Fund") declared a distribution of \$0.021, \$0.020, \$0.018, \$0.019 and \$0.017 to Class I, A, B, C and T shareholders of record daily for August 2010, payable August 31, 2010. Of this distribution, 97.6% is estimated to be derived from net investment income and 2.4% from foreign currency gains which represents approximately \$0.0005 per share. All amounts are based on U.S. generally accepted accounting principles which may differ from federal income tax regulations.

**December 2010:**

The Virtus Multi-Sector Short Term Bond Fund (the "Fund") declared a distribution of \$0.022, \$0.021, \$0.019, \$0.020 and \$0.018 to Class I, A, B, C and T shareholders of record daily for December 2010, payable December 31, 2010. Of this distribution, 97.9% is estimated to be derived from net investment income and 2.1% from foreign currency gains which represents approximately \$0.0004 per share. All amounts are based on U.S. generally accepted accounting principles which may differ from federal income tax regulations.

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

IRS Circular 230 Disclosure: Any information contained in this communication (including any attachments) is not intended to be used, and cannot be used, to avoid penalties imposed under the U.S. Internal Revenue Code. This communication was written to support the promotion or marketing of the transactions or matters addressed here. Individuals should seek independent tax advice based on their own circumstances.

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