Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name VIRTUS LOW DURATION INCOME FUND		2 Issuer's employer identification number (EIN) 51-0332759
3 Name of contact for additional information Mutual Fund Services	4 Telephone No. of contact 800-243-1574	5 Email address of contact Virtus.Investment.Partners@virtus.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 101 Munson Street		7 City, town, or post office, state, and Zip code of contact Greenfield, MA 01301
8 Date of action 12/31/2015	9 Classification and description Return of Capital	

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See attached	N/A	See attached	N/A

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ During the fiscal year ended December 31, 2015, the issuer distributed amounts to its shareholders, a portion of which constituted a non-taxable return of capital. See attachment for a list of distribution dates and return of capital amounts per share.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The attachment provides the total distribution per share, as well as the non-taxable return of capital per share, on a distribution by distribution basis. The return of capital per share should reduce the taxpayer's adjusted basis of each share held on the date of each listed distribution by 12.8108% of the original distribution amount.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ An analysis of the issuer's current and accumulated earnings and profits was performed as of 12/31/15, in order to determine the portion of the distribution that constituted a dividend and the portion that constituted a non-taxable return of capital.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

§301(c) and §316(a)

18 Can any resulting loss be recognized? ▶ **The return of capital per share should reduce the taxpayer's adjusted basis of each share held on the date of distribution. Upon disposition of all or a portion of the shares, the taxpayer should recognize greater gain/less loss.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The reportable tax year of the distributions is 2015. Actual return of capital will be reflected on the taxpayer's 2015 Form 1099.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ JMP Date ▶ 1/11/2016

Print your name ▶ **A signed copy is maintained by the issuer** Title ▶ **Vice President**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Virtus Low Duration Income Fund **EIN: 51-0332759**
Form 8937 Attachment
12/31/2015

		Original			Revised Ordinary Income	Revised Ordinary Income	Revised Ordinary Income	Revised Return of Capital ("ROC")	Revised Return of Capital ("ROC")	Revised Return of Capital ("ROC")	ROC as percent of Original	ROC as percent of Original	ROC as percent of Original
		92828T764 HIMZX	92828T756 PCMZX	92828T749 HIBIX	92828T764 HIMZX	92828T756 PCMZX	92828T749 HIBIX	92828T764 HIMZX	92828T756 PCMZX	92828T749 HIBIX	92828T764 HIMZX	92828T756 PCMZX	92828T749 HIBIX
AccrualBegin	AccrualEnd	**CLASS A**	**CLASS C**	**CLASS I**	**CLASS A**	**CLASS C**	**CLASS I**	**CLASS A**	**CLASS C**	**CLASS I**	**CLASS A**	**CLASS C**	**CLASS I**
1/2/2015	1/30/2015	0.018769401	0.011805591	0.021072570	0.016364897	0.010293204	0.018373012	0.002404504	0.001512387	0.002699558	12.8108%	12.8108%	12.8108%
2/2/2015	2/27/2015	0.018837816	0.012587954	0.020927419	0.016424547	0.010975340	0.018246456	0.002413269	0.001612614	0.002680963	12.8108%	12.8108%	12.8108%
3/2/2015	3/31/2015	0.018087265	0.011407694	0.020322570	0.015770148	0.009946281	0.017719093	0.002317117	0.001461413	0.002603477	12.8108%	12.8108%	12.8108%
4/1/2015	4/30/2015	0.018762677	0.012051084	0.021000000	0.016359034	0.010507248	0.018309739	0.002403643	0.001543836	0.002690261	12.8108%	12.8108%	12.8108%
5/1/2015	5/29/2015	0.018689190	0.011769665	0.020999989	0.016294961	0.010261881	0.018309729	0.002394229	0.001507784	0.002690260	12.8108%	12.8108%	12.8108%
6/1/2015	6/30/2015	0.018768935	0.012104345	0.021000000	0.016364490	0.010553686	0.018309739	0.002404445	0.001550659	0.002690261	12.8108%	12.8108%	12.8108%
7/1/2015	7/31/2015	0.018841581	0.011504187	0.021290313	0.016427830	0.010030412	0.018562861	0.002413751	0.001473775	0.002727452	12.8108%	12.8108%	12.8108%
8/3/2015	8/31/2015	0.016565726	0.010124435	0.018709669	0.014443529	0.008827417	0.016312817	0.002122197	0.001297018	0.002396852	12.8108%	12.8108%	12.8108%
9/1/2015	9/30/2015	0.017782023	0.011133598	0.020000010	0.015504009	0.009707299	0.017437855	0.002278014	0.001426299	0.002562155	12.8108%	12.8108%	12.8108%
10/1/2015	10/30/2015	0.017265652	0.010165592	0.019633326	0.015053789	0.008863302	0.017118146	0.002211863	0.001302290	0.002515180	12.8108%	12.8108%	12.8108%
11/2/2015	11/30/2015	0.016226398	0.009815040	0.018366657	0.014147672	0.008557658	0.016013747	0.002078726	0.001257382	0.002352910	12.8108%	12.8108%	12.8108%
12/1/2015	12/31/2015	0.018352313	0.010924158	0.020838702	0.016001241	0.009524690	0.018169104	0.002351072	0.001399468	0.002669598	12.8108%	12.8108%	12.8108%
		0.216948977	**0.135393343**	**0.244161225**	**0.189156148**	**0.118048417**	**0.212882298**	**0.027792829**	**0.017344926**	**0.031278927**			