

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Virtus Growth & Income Fund		2 Issuer's employer identification number (EIN) 04-3380715	
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 09/21/2012		9 Classification and description Regulated Investment Company (RIC) Shares - Class B Conversion	
10 CUSIP number 92828N866	11 Serial number(s)	12 Ticker symbol PBGIX	13 Account number(s)

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 ▶ **Virtus Growth & Income Fund is a multiple class open end Regulated Investment Company ("RIC") under Subchapter M of the IRC. The distinguishing feature of the various classes is a differential allocation of certain fund expenses. On September 21, 2012, all shares of Class B (cusip 92828N866) of Virtus Growth & Income Fund were converted into Class A shares (cusip 92828N874) of the same fund in a tax-free exchange.**

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 Class B shareholders' total basis in Class A shares received is the same as their total basis in the old Class B shares.**
Per share, for each Class B share of Virtus Growth & Income Fund (PBGIX) held, shareholders received 0.95078724 Class A shares of Virtus Growth & Income Fund (PDIAX).

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 ▶ **The per share basis calculations are based on the respective net asset values of the Class B and Class A shares as of the close of business on 09/21/2012. The net asset values ("NAVs") are determined based on the market value of the underlying securities held by the fund.**
The NAV of Class B was \$17.3976 per share and the NAV of Class A was \$18.2981 per share on 09/21/2012. Thus the exchange ratio is 0.95078724 shares of Class A received for each share of Class B surrendered.

Part II Organizational Action (continued)

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

IRC Sec. 1036(a) - No gain or loss is recognized.

IRC Sec. 1031(d) - The aggregate basis of the shares exchanged equals the aggregate basis of the shares received.

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year is 2012.

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.

Sign Here

Signature ▶  Date ▶ 10/23/2012

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 <input type="checkbox"/> 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