

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND		2 Issuer's employer identification number (EIN) 45-0468395	
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 12/31/2017	9 Classification and description Return of Capital		
10 CUSIP number See attached	11 Serial number(s) N/A	12 Ticker symbol See attached	13 Account number(s) 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, 2017, 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 11.61% 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 12/31/17, 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)

Blank lines for listing applicable Internal Revenue Code sections and subsections.

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.**

Blank lines for providing information regarding the recognition of a resulting 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 2017. Actual return of capital will be reflected on the taxpayer's 2017 Form 1099.

Blank lines for providing any other necessary information for the adjustment.

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 ▶ *[Handwritten Signature]* Date ▶ *1/16/2018*

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.	

Virtus SEIX U.S. Government Securities Ultra-Short Bond Fund
Form 8937 Attachment
12/31/2017

EIN: 45-0468395

<u>(Fund Name - Class)</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>Record Date</u>	<u>Ex-Dividend Date</u>	<u>Payable Date</u>	<u>Original Distribution Per Share</u>	<u>Revised Ordinary Income Dividends</u>	<u>Revised Return of Capital</u>	<u>ROC as percent of Original</u>
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	04/03/2017	0.011014409	0.009735636	0.001278773	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	05/01/2017	0.011422287	0.010096159	0.001326128	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	06/01/2017	0.011258456	0.009951349	0.001307107	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	07/03/2017	0.012538554	0.011082828	0.001455726	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	08/01/2017	0.012836888	0.011346525	0.001490363	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	09/01/2017	0.013046829	0.011532092	0.001514737	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	10/02/2017	0.012590306	0.011128571	0.001461735	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	10/31/2017	0.013227043	0.011691383	0.001535660	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	11/30/2017	0.012693450	0.011219740	0.001473710	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-R6	92837F813	SIGZX	DAILY	DAILY	12/29/2017	0.014244108	0.012590367	0.001653741	11.61%
						0.124872330	0.110374650	0.014497680	
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	04/03/2017	0.009172249	0.008107351	0.001064898	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	05/01/2017	0.010172718	0.008991665	0.001181053	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	06/01/2017	0.009934127	0.008780775	0.001153352	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	07/03/2017	0.011247459	0.009941629	0.001305830	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	08/01/2017	0.011548827	0.010208008	0.001340819	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	09/01/2017	0.011757506	0.010392460	0.001365046	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	10/02/2017	0.011341327	0.010024599	0.001316728	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	10/31/2017	0.011945569	0.010558688	0.001386881	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	11/30/2017	0.011462490	0.010131695	0.001330795	11.61%
Virtus SEIX US GOV SEC ULTRA-SHORT BD-I	92837F821	SIGVX	DAILY	DAILY	12/29/2017	0.012926120	0.011425397	0.001500723	11.61%
						0.111508392	0.098562267	0.012946125	