

2016 Income Earned from U.S. Government Obligations



Percent of Income from U.S. Government

Virtus Bond Fund	4.2%
Virtus DFA 2015 Target Date Retirement Income Fund	59.5%
Virtus DFA 2020 Target Date Retirement Income Fund	60.9%
Virtus DFA 2025 Target Date Retirement Income Fund	45.2%
Virtus DFA 2030 Target Date Retirement Income Fund	28.0%
Virtus DFA 2035 Target Date Retirement Income Fund	7.2%
Virtus Global Dividend and Income Fund, Inc.	10.0%
Virtus Low Duration Income Fund	3.3%
Virtus Multi-Strategy Target Return Fund	21.0%
Virtus Strategic Allocation Fund	1.3%

Funds not listed either paid no ordinary income dividends or had less than 1% from U.S. Government securities.

To determine the portion of dividend income that may be exempt from state tax:

1. Enter the dividend income reported in Box 1A on Form 1099-DIV. 1. _____
2. Enter the total percentage of income earned from U.S. obligations shown above. 2. _____
3. Multiply line 1 by line 2 to determine the portion of government income. 3. _____

Most states do not tax the portion of mutual fund dividends (ordinary income Box 1A on form 1099) earned on securities issued by the U.S. government. Each state defines which U.S. government and agency securities are exempt from tax and that list can differ. For example, most states do not consider FNMA's, GNMA's, or FHLMC exempt. Most states do include exemptions for U.S. Treasury, Federal Home Loan Bank, Federal Farm Credit Bank, and others.

State laws vary, so we encourage you to consult your tax professional.

California, Connecticut, and New York only allow exemptions from state tax if a fund had at least 50% of its assets invested in exempt securities each quarter. Based on this requirement, none of the Virtus funds qualify for exemption in these states.

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. Individuals should seek independent tax advice based on their own circumstances.

Please carefully consider a Fund's investment objectives, risks, charges, and expenses before investing. For this and other information about any Virtus mutual fund, contact your financial representative, call 1-800-243-4361, or visit Virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

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