

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name VIRTUS NEWFLEET MULTI-SECTOR SHORT TERM BOND FUND		2 Issuer's employer identification number (EIN) 22-3164565	
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 09/30/2018		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 September 30, 2018, 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 5.3860% 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 09/30/18, 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.

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 loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The reportable tax year of the distributions is 2018. Actual return of capital will be reflected on the taxpayer's 2018 Form 1099.

Blank lines for providing other necessary information.

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 ▶ *Jan P. Buser* Date ▶ 11/9/18

Print your name ▶ A signed copy is maintained by the issuer Title ▶ Assistant 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 Newfleet Multi-Sector Short Term Bond Fund **EIN: 22-3164565**
Form 9937 Attachment
09/30/2018

		Original					Revised Ordinary Income					Revised Return of Capital ("ROC")					ROC as percent of Original				
		92828R644	92828R628	92828R594	92828R610	92828W247	92828R644	92828R628	92828R594	92828R610	92828W247	92828R644	92828R628	92828R594	92828R610	92828W247	92828R644	92828R636	92828R628	92828R610	92828R594
		NARAX	PSTCX	PMSTX	PIMSX	VMSSX	NARAX	PSTCX	PMSTX	PIMSX	VMSSX	NARAX	PSTCX	PMSTX	PIMSX	VMSSX	NARAX	PBARX	PSTCX	PIMSX	PMSTX
AccrualBegin	AccrualEnd	CLASS A	CLASS C	CLASS C1	CLASS I	CLASS R6	CLASS A	CLASS C	CLASS C1	CLASS I	CLASS R6	CLASS A	CLASS C	CLASS C1	CLASS I	CLASS R6	CLASS A	CLASS B	CLASS C	CLASS I	CLASS T
1/2/2018	1/31/2018	0.010557626	0.009655747	0.007674355	0.011612910	0.011867770	0.009988993	0.009135689	0.007261015	0.010987440	0.011228573	0.000568633	0.000520058	0.000413340	0.000625470	0.000639197	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
2/1/2018	2/28/2018	0.011021736	0.010184427	0.008345769	0.011999988	0.012236387	0.010428106	0.009635895	0.007896267	0.011353670	0.011577336	0.000593630	0.000548532	0.000449502	0.000646318	0.000659051	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
3/1/2018	3/29/2018	0.011282802	0.010334803	0.008247180	0.012400007	0.012672194	0.010675111	0.009778171	0.007802988	0.011732144	0.011989871	0.000607691	0.000556632	0.000444192	0.000667863	0.000682523	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
4/2/2018	4/30/2018	0.010588184	0.009735455	0.007853969	0.011600000	0.011848339	0.010017905	0.009211104	0.007430955	0.010975225	0.011210378	0.000570279	0.000524351	0.000423014	0.000624775	0.000638161	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
5/1/2018	5/31/2018	0.010943292	0.010017658	0.008018561	0.012000007	0.012364037	0.010353887	0.009478108	0.007586682	0.011353688	0.011603497	0.000589405	0.000539550	0.000431879	0.000646319	0.000660540	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
6/1/2018	6/29/2018	0.011321344	0.010410233	0.008421125	0.012387097	0.012652636	0.010711577	0.009849539	0.007967564	0.011719929	0.011971166	0.000609767	0.000560694	0.000453561	0.000667168	0.000681470	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
7/2/2018	7/31/2018	0.010630763	0.009713779	0.007822912	0.011612910	0.011883324	0.010058191	0.009190596	0.007401571	0.010987440	0.011243289	0.000572572	0.000523183	0.000421341	0.000625470	0.000640035	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
8/1/2018	8/31/2018	0.012088328	0.011047727	0.008904728	0.013200006	0.013506473	0.011437252	0.010452697	0.008425120	0.012489055	0.012779016	0.000651076	0.000595030	0.000479608	0.000710951	0.000727457	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
9/4/2018	9/28/2018	0.010108586	0.009193691	0.007402061	0.010800000	0.011052145	0.009564138	0.008698520	0.007003387	0.010218313	0.010456877	0.000544448	0.000495171	0.000398674	0.000581687	0.000595268	5.3860%	5.3860%	5.3860%	5.3860%	5.3860%
		0.098542661	0.090293520	0.072690660	0.107612925	0.109983505	0.093235162	0.085430319	0.068775548	0.101816903	0.104059803	0.005307499	0.004863201	0.003915112	0.005796022	0.005923702					

ROC from 09/30/2018 Provision 8,565,246
 Total Income Distributions from 1/2/18-09/28/18 159,028,228
 ROC % for 1099 purposes 5.3860%