

The foreign tax reported on Form 1099-DIV is based on your share of the Fund's foreign taxes paid. The foreign taxes paid are based on the earnings the Fund received from its investments in foreign securities and the taxes the Fund paid to foreign governments at the mutual fund level.

If you received a foreign tax credit from our funds, it will be shown in Box 7 on your Form 1099-DIV. You may claim the foreign tax as an itemized deduction, or you may claim a foreign tax credit (but not both). Please consult your tax advisor for information on how you might be able to use this data when preparing your tax return.

The following is a list of Virtus Mutual Funds that are eligible and have elected to pass through foreign source income and foreign taxes to their shareholders:

2018 Percentage of Income from Foreign Source Dividends

Virtus KAR Emerging Markets Small-Cap Fund	100%
Virtus WCM International Equity Fund	100%
Virtus Vontobel Foreign Opportunities Fund	100%
Virtus Vontobel Greater European Opportunities Fund	100%
Virtus Vontobel Emerging Markets Opportunities Fund	100%
Virtus Herzfeld Fund	TBD
Virtus Duff & Phelps International Equity Fund	100%
Virtus Duff & Phelps International Real Estate Securities Fund	100%
Virtus KAR International Small-Cap Fund	100%
Virtus Horizon International Wealth Masters Fund	100%
Virtus KAR Global Quality Dividend	38%

If you claim a foreign tax credit in 2018, you no longer have to report the income or taxes paid on a country-by-country basis on Form 1116. To determine your share of the Fund's foreign source income, multiply the foreign source percentage above by the amount shown in Box 1a of Form 1099-DIV. Please refer to the IRS instructions for Form 1116. If you need additional information, see IRS Publication 514, *Foreign Tax Credit for Individuals* at irs.gov.

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. This communication was written to support the promotion or marketing of the transactions or matters addressed here. 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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