

2018 Income Earned from U.S. Government Obligations



Percent of Income from U.S. Government

Virtus Aviva Multi-Strategy Target Return Fund	31.04%
Virtus Conservative Allocation Strategy Fund	9.20%
Virtus DFA 2015 Target Date Retirement Income Fund	80.50%
Virtus DFA 2020 Target Date Retirement Income Fund	76.80%
Virtus DFA 2025 Target Date Retirement Income Fund	61.20%
Virtus DFA 2030 Target Date Retirement Income Fund	44.40%
Virtus DFA 2035 Target Date Retirement Income Fund	21.50%
Virtus Global Dividend & Income Fund Inc.	1.09%
Virtus Growth Allocation Strategy Fund	3.80%
Virtus Newfleet Bond Fund	4.19%
Virtus Newfleet Low Duration Income Fund	2.82%
Virtus Newfleet Multi-Sector Short Term Bond Fund	1.04%
Virtus Rampart Multi Asset Trend Fund	28.72%
Virtus Seix Core Bond Fund	43.34%
Virtus Seix Corporate Bond Fund	1.19%
Virtus Seix Short-Term Bond Fund	34.72%
Virtus Seix Total Return Bond Fund	37.39%
Virtus Seix Ultra-Short Bond Fund	2.89%
Virtus Seix U.S. Government Securities Ultra-Short Bond Fund	4.11%
Virtus Seix U.S. Mortgage Fund	2.06%
Virtus Strategic Allocation Fund	2.70%

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.

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