

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Virtus Strategic Allocation Fund		2 Issuer's employer identification number (EIN) 04-2987660	
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 01/25/2019		9 Classification and description Regulated Investment Company Shares - Class A and Class C Shares	
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 ▶ On January 25, 2019, Virtus Tactical Allocation Fund acquired all of the assets and assumed all of the liabilities of the issuer in exchange for voting shares of beneficial interest. (Details below.) The merger of Virtus Strategic Allocation Fund into Virtus Tactical Allocation Fund qualifies as a tax-free reorganization within the meaning of Internal Revenue Code §368(a).

The exchange is based on the number and value of shares outstanding at the close of business January 25, 2019.

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 ▶ A shareholder's aggregate basis in the shares of Virtus Tactical Allocation Fund they received in exchange for their shares of Virtus Strategic Allocation Fund will be the same as their aggregate basis in shares of Virtus Strategic Allocation Fund. The number of Virtus Tactical Allocation Fund shares that were received for each share of Virtus Strategic Allocation Fund surrendered in the exchange is as follows:

- 1.574349 Virtus Tactical Allocation Fund class A shares for one Virtus Strategic Allocation Fund class A share
- 1.514125 Virtus Tactical Allocation Fund class C shares for one Virtus Strategic Allocation Fund class C share

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 ▶ There was no change in aggregate basis as a result of the above described organizational action. The net asset value of Strategic Allocation Fund shares that were surrendered in the exchange for each share of Virtus Tactical Allocation Fund is as follows. The net asset values below are as of the close of business January 25, 2019.

- A Shares - the net asset value for each share surrendered from Virtus Strategic Allocation Fund in the exchange was \$13.7828. The net asset value for each share received from Virtus Tactical Allocation Fund in the exchange was \$8.7546.
- C Shares - the net asset value for each share surrendered from Virtus Strategic Allocation Fund in the exchange was \$13.6297. The net asset value for each share received from Virtus Tactical Allocation Fund in the exchange was \$9.0017.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code §368(a), §358, §354.

18 Can any resulting loss be recognized? ▶ There was no gain or loss on the transaction. Accordingly, each investor's aggregate basis in the shares of Virtus Tactical Allocation Fund received in the exchange will be the same as the aggregate basis in their shares of Virtus Strategic Allocation Fund surrendered.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The above described organizational action is reportable in the tax year 2019.

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. Boser Date ▶ 2/25/19

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 STRATEGIC ALLOCATION FUND

<u>Share Class</u>	<u>Box 10, CUSIP</u>	<u>Box 12, Ticker Symbol</u>
Class A	92828N403	PHBLX
Class C	92828N601	PSBCX

VIRTUS TACTICAL ALLOCATION FUND

<u>Share Class</u>	<u>Box 10, CUSIP</u>	<u>Box 12, Ticker Symbol</u>
Class A	92828N791	NAINX
Class C	92828N775	POICX