Form **8937**
(December 2017)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
VIRTUS HERZFELD FUND	46-0548699

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Mutual Fund Services	800-243-1574	Virtus.Investment.Partners@virtus.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and ZIP code of contact
101 Munson Street	Greenfield, MA 01301

8 Date of action	9 Classification and description
08/18/2020	Return of Capital

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See attached	N/A	See attached	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 August 18, 2020, 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 89.1269% 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 08/18/20, 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)

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.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

The reportable tax year of the distributions is 2020. Actual return of capital will be reflected on the taxpayer's 2020 Form 1099.

Sign Here	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.				
	Signature ▶		Date ▶ February 21, 2021		
	Print your name ▶ Suneeta Krishnan A signed copy is maintained by the issuer		Title ▶ Vice President		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Virtus Herzfeld Fund **EIN: 46-0548699**
Form 8937 Attachment
August 18, 2020

			Original			Revised Ordinary Income	Revised Ordinary Income	Revised Ordinary Income	Revised Return of Capital ("ROC")	Revised Return of Capital ("ROC")	Revised Return of Capital ("ROC")	ROC as percent of Original	ROC as percent of Original	ROC as percent of Original
			92828W874	92828W866	92828W858	92828W874	92828W866	92828W858	92828W874	92828W866	92828W858	92828W874	92828W866	92828W858
			VHFAX	VHFCX	VHFIX	VHFAX	VHFCX	VHFIX	VHFAX	VHFCX	VHFIX	VHFAX	VHFCX	VHFIX
Ex-Date	Record Date	Payable Date	**CLASS A**	**CLASS C**	**CLASS I**	**CLASS A**	**CLASS C**	**CLASS I**	**CLASS A**	**CLASS C**	**CLASS I**	**CLASS A**	**CLASS C**	**CLASS I**
3/30/2020	3/27/2020	3/30/2020	0.199591000	0.174645000	0.207629000	0.021701686	0.018989288	0.022575664	0.177889314	0.155655712	0.185053336	89.1269%	89.1269%	89.1269%
6/29/2020	6/26/2020	6/29/2020	0.174785000	0.154844000	0.180373000	0.019004510	0.016836310	0.019612098	0.155780490	0.138007690	0.160760902	89.1269%	89.1269%	89.1269%
			0.374376000	**0.329489000**	**0.388002000**	**0.040706197**	**0.035825598**	**0.042187762**	**0.333669803**	**0.293663402**	**0.345814238**			