

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Virtus KAR International Small-Mid Cap Fund II		84-2501284	
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	
10/22/2021		Regulated Investment Company Shares - Class A, Class C, Class I, and Class R6 Shares	
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 ▶ On October 22, 2021, Virtus KAR International Small-Mid Cap 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 KAR International Small-Mid Cap Fund II into Virtus KAR International Small-Mid Cap 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 October 22, 2021.

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 KAR International Small-Mid Cap Fund they received in exchange for their shares of Virtus KAR International Small-Mid Cap Fund II will be the same as their aggregate basis in shares of Virtus KAR International Small-Mid Cap Fund II. The number of Virtus KAR International Small-Mid Cap Fund shares that were received for each share of Virtus KAR International Small-Mid Cap Fund II surrendered in the exchange is as follows:
0.582582 Virtus KAR International Small-Mid Cap Fund class A shares for one Virtus KAR International Small-Mid Cap Fund II class A share
0.592236 Virtus KAR International Small-Mid Cap Fund class C shares for one Virtus KAR International Small-Mid Cap Fund II class C share
0.581158 Virtus KAR International Small-Mid Cap Fund class I shares for one Virtus KAR International Small-Mid Cap Fund II class I share
0.580673 Virtus KAR International Small-Mid Cap Fund class R6 shares for one Virtus KAR International Small-Mid Cap Fund II class R6 share

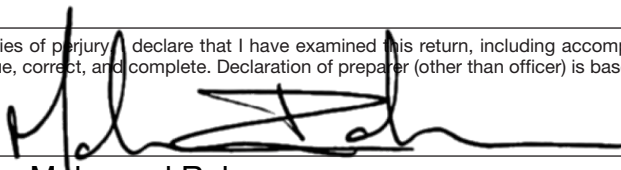
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There was no change in aggregate basis as a result of the above described organizational action. The net asset value of Virtus KAR International Small-Mid Cap Fund II shares that were surrendered in the exchange for each share of KAR International Small-Mid Cap Fund is as follows. The net asset values below are as of the close of business October 22, 2021.
A Shares - the net asset value for each share surrendered from Virtus KAR International Small-Mid Cap Fund II in the exchange was \$14.9243
The net asset value for each share received from Virtus KAR International Small-Mid Cap Fund in the exchange was \$25.6175
C Shares - the net asset value for each share surrendered from Virtus KAR International Small-Mid Cap Fund II in the exchange was \$14.8633
The net asset value for each share received from Virtus KAR International Small-Mid Cap Fund in the exchange was \$25.0969
I Shares - the net asset value for each share surrendered from Virtus KAR International Small-Mid Cap Fund II in the exchange was \$14.9769
The net asset value for each share received from Virtus KAR International Small-Mid Cap Fund in the exchange was \$25.7708
R6 Shares - the net asset value for each share surrendered from Virtus KAR International Small-Mid Cap Fund II in the exchange was \$14.9834
The net asset value for each share received from Virtus KAR International Small-Mid Cap Fund in the exchange was \$25.8035

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 KAR International Small-Mid Cap Fund received in the exchange will be the same as the aggregate basis in their shares of Virtus KAR International Small-Mid Cap Fund II 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 2021.

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 ▶ November 23, 2021
Print your name ▶ Mahmood Rahman Title ▶ Assistant Vice President
Print your name ▶ A signed copy is maintained by the issuer.

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 KAR International Small-Mid Cap Fund II

<u>Share Class</u>	<u>Box 10, CUSIP</u>	<u>Box 12, Ticker Symbol</u>
Class A	92828W171	VKIAX
Class C	92828W163	VKICX
Class I	92828W155	VKIIX
Class R6	92828W148	VKIRX

Virtus KAR International Small-Mid Cap Fund

<u>Share Class</u>	<u>Box 10, CUSIP</u>	<u>Box 12, Ticker Symbol</u>
Class A	92828W841	VISAX
Class C	92828W833	VCISX
Class I	92828W825	VIISX
Class R6	92828W551	VRISX