

Virtus Total Return Fund

Market Price	\$3.50
Net Asset Value	\$4.06
Discount to Net Asset Value	-13.79%
Distributions calendar year to date*	\$0.15
Number of Shares Outstanding	27.5m
Total Net Assets	\$111.5m
NYSE Ticker	DCA
Debt Leverage	\$0m
Dividends	Quarterly

Declared	Distribution
December	0.05
March	0.05
June	0.05
September	0.05

A dividend reinvestment plan is available to registered shareholders to reinvest dividends in additional fund shares. For registered shareholders desiring quarterly cash dividends, the fund has a direct deposit plan.

If and when sufficient investment income is not available on a quarterly basis, the fund will distribute long-term capital gains and/or return capital to its shareholders.

INVESTMENT ADVISER

Virtus Investment Advisers, Inc.

INVESTMENT SUBADVISER

Duff & Phelps Investment Management
Newfleet Asset Management

INVESTMENT PROFESSIONALS

Connie Luecke, CFA
Industry start date: 1983
Start date with Fund: 2011

Randle Smith, CFA
Industry start date: 1990
Start date with Fund: 2011

David L. Albrycht, CFA
Industry start date: 1985
Start date with Fund: 2011

INVESTMENT OPPORTUNITY

Invested in a balance of approximately 60% equity and 40% fixed income, the Fund's objective is total return, consisting of both capital appreciation and current income.

The equity portion of the fund invests globally in owners/operators of infrastructure in the communications, utility, energy, and transportation industries.

The fixed income portion of the fund is designed to generate high current income and total return through the application of extensive credit research and a time-tested approach that seeks to capitalize on opportunities across undervalued sectors of the bond market.

Investment Manager of the Fund

The equity portion of the fund is managed by Duff & Phelps Investment Management Co., which offers an investment product mix comprised of Global Utilities, Real Estate and Infrastructure portfolios. The product mix emanated from the in-depth fundamental research expertise in income-producing securities that the firm established in 1932. The fixed income portion of the fund is managed by the Newfleet Multi-Sector Fixed Income Strategies team, which leverages the knowledge and skill of investment professionals with expertise in every sector of the bond market, including evolving, specialized, and out-of-favor sectors. The team employs active sector rotation and disciplined risk management to portfolio construction, avoiding interest rate bets and remaining duration neutral to each strategy's stated benchmark.

ANNUALIZED PERFORMANCE as of 12/31/2011 in percent

	MTD	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception 02/24/2005
NAV	7.69	6.73	6.73	27.95	-15.69	n/a	-8.10
MKT	6.06	5.61	5.61	29.05	-18.41	n/a	-10.66
Index 1	5.02	6.65	6.65	8.36	3.36	5.99	5.54
Index 2	7.61	5.54	5.54	8.89	0.78	5.72	4.88

*MTD, YTD and 1 Year performance is not annualized.

ANNUAL PERFORMANCE in percent

	2006	2007	2008	2009	2010	2011
NAV	25.68	-41.23	-65.39	29.22	51.90	6.73
MKT	43.37	-44.74	-69.55	32.67	53.38	5.61
Index 1	18.61	14.53	-19.05	11.49	7.00	6.65
Index 2	29.06	19.58	-32.66	14.75	6.60	5.54

Index 1: The composite index consists of 60% MSCI World Infrastructure Sector Capped Index and 40% Barclays Capital U.S. Aggregate Bond Index. The MSCI World Infrastructure Sector Capped Index is a market capitalization weighted index that measures performance of global infrastructure companies by capturing broad and diversified opportunities across telecommunication, utilities, energy, transportation and social infrastructure sectors. The telecommunication infrastructure and utilities sector each represent one-third of the index weight, while energy, transportation and social infrastructure sectors have a combined weight of the remaining one-third of the index. The Barclays Capital U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The indices are unmanaged and not available for direct investment.

Index 2: The MSCI World Index (gross) is a free float-adjusted market capitalization-weighted index that measures developed global market equity performance. The index is calculated on a total return basis with gross dividends reinvested. The index is unmanaged and not available for direct investment.

Equity Sector Allocations	% Equity	Top Ten Holdings	% Fund	
Utilities	31.88	Enbridge Inc.	3.46	<p>Shares of closed-end investment companies such as the Fund trade in the market above, at, and below net asset value. This characteristic is a risk separate and distinct from the risk that the Fund's net asset value could decline. The Fund is not able to predict whether its shares will trade above, below, or at net asset value in the future.</p> <p>There can be no assurance that the Fund will achieve its investment objectives.</p> <p>Infrastructure related entities are subject to factors that may adversely affect their business, including government policies and regulation.</p> <p>Investing internationally involves additional risks such as currency, political, accounting, economic and market risk.</p> <p>Use of leverage involves risks including increased volatility of net asset value and market price, increased operating expenses due to the cost of leverage, and that the income and capital appreciation, if any, on securities acquired with leverage may not exceed the cost of leverage.</p> <p>This information does not represent an offer, or the solicitation of an offer, to buy or sell securities of the Fund.</p>
Telecommunication Services	26.92	Williams Companies Inc	3.00	
Energy	24.67	Spectra Energy Corp.	2.68	
Industrials	13.94	TransCanada Corp.	2.53	
Consumer Discretionary	2.60	AT&T Inc.	2.30	
Consumer Staples	0.00	Vodafone Group PLC ADS	2.29	
Information Technology	0.00	Transurban Group	1.50	
Materials	0.00	American Tower Corp. Class A	1.30	
Financials	0.00	Koninklijke Vopak N.V.	1.18	
Health Care	0.00	Verizon Communications Inc.	1.14	
Fixed Income Sector Allocations	% Fixed	Top 5 Countries	% Fund	
Corporate - High Yield	25.87	United States	62.69	
Corporate - High Quality	14.08	Canada	8.16	
Cash	12.84	United Kingdom	5.79	
Bank Loans	12.62	Australia	2.73	
Non-Agency Commercial MBS	12.16	Brazil	2.33	
Non-USD	6.16			
Emerging Market - High Yield	6.05			
Yankee - High Quality	3.35			
Non-Agency Residential MBS	3.24			
Asset Backed Securities	2.14			
Municipals	1.08			
Yankee - High Yield	0.41			

Holdings and Sector weightings are subject to change.

About Virtus Investment Partners

Virtus (NASDAQ: VRTS) is a distinctive partnership of boutique investment managers singularly committed to the long-term success of individual and institutional investors.

We are not constrained by a single investment approach; rather, we provide access to independent, specialized investment philosophies through our multi-discipline, multi-strategy approach

We have the flexibility, agility and responsiveness of a boutique asset management firm with similar product breadth and investment talent of our larger peers

We are committed to thoughtfully providing investment solutions, adhering to the highest standards of product quality, operational excellence, and fiduciary responsibility