VIRTUS MUTUAL FUNDS

Semiannual Report

Virtus Foreign Opportunities Fund

TRUST NAME:
VIRTUS OPPORTUNITIES TRUST

March 31, 2009

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PROXY VOTING PROCEDURES (FORM N-PX)

The adviser and subadviser vote proxies relating to portfolio securities in accordance with procedures that have been approved by the Trust's Board of Trustees. You may obtain a description of these procedures, along with information regarding how the Fund voted proxies during the most recent 12-month period ended June 30, 2008, free of charge, by calling toll-free 1-800-243-1574. This information is also available through the Securities and Exchange Commission's website at http://www.sec.gov.

FORM N-Q INFORMATION

The Trust files a complete schedule of portfolio holdings for the Fund with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-Q. Form N-Q is available on the SEC's website at http://www.sec.gov. Form N-Q may be reviewed and copied at the SEC's Public Reference Room. Information on the operation of the SEC's Public Reference Room can be obtained by calling toll-free 1-800-SEC-0330.

This report is not authorized for distribution to prospective investors in the Virtus Foreign Opportunities Fund unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, the Fund's record and other pertinent information.

MESSAGE TO SHAREHOLDERS

Dear Fellow Shareholders of Virtus Mutual Funds:

After the unprecedented economic events of 2008, investors were ready to greet the new year with great expectations. Instead, we were sorely disappointed.

The first quarter of 2009 brought more dismal economic news as the worst financial crisis since the Great Depression continued, seemingly unabated. Consumer confidence and business sentiment spiraled downward on poor corporate earnings and woeful economic data. Major stock market indices posted their worst January and February returns on record, ultimately leading to a sixth straight down quarter. The new administration in Washington, D.C. responded with an alphabet-soup of financial recovery programs – TARP (Troubled Asset Relief Program), TALF (Term Asset-Backed Securities Loan Facility) and CAP (Capital Assistance Program) – conducted stress tests of troubled banks and took extreme measures in an attempt to rescue two of the "Big Three" automakers. But by March 9th, the Dow Jones Industrial Average℠ was down 25.4 percent from the start of the year and the S&P 500® Index was off 27.4 percent.

Then a number of promising signs appeared. Credit markets exhibited tentative evidence of stabilizing and the manufacturing sector reported modest increases in new orders. Retail sales gained slightly, and for the first time in two years the housing markets in some regions of the country indicated they may have hit bottom. There was a bounce in the financial markets, and March ended with the best monthly stock gains in more than six years.

Whether this is the start of a significant "V"-shaped recovery or a temporary upswing of a "W" recovery remains to be seen. The second quarter began with a sprinkling of encouraging corporate earnings, and unemployment – while still a significant drag on the economy – shows signs of slowing. Questions remain on the effectiveness of the government's economic interventions, as well as the long-term impact of increasing budget deficits, yet we entered the second quarter with a glimmer of hope.

The uncertainties of the economy are another reminder that investors should rely on the discipline and focus of professional investment managers and financial advisors when making decisions about personal investments. We encourage you to meet with your financial advisor and periodically review your portfolio to ensure it reflects your current investment objectives, your tolerance for risk, and your long-term financial goals.

At Virtus, our commitments to quality investment solutions and superior customer service remain unchanged. We offer a wide range of equity, fixed income, and money market funds as well as alternative strategies that you may wish to consider as you review your investments. We recognize the economy and financial markets still face substantial challenges, but our investment professionals remain committed to identifying the right options for your long-term investment needs.

Your confidence in Virtus Mutual Funds is deeply appreciated.

Sincerely,

George R. Aylward
President, Virtus Mutual Funds

May 1, 2009

Whenever you have questions about your account or require additional information, please visit us at www.virtus.com or call our shareowner services group, toll free, at 800-243-1574.

Performance data quoted represents past results. Past performance is no guarantee of future results and current performance may be higher or lower than performance shown above.

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VIRTUS FOREIGN OPPORTUNITIES FUND
Disclosure of Fund Expenses (Unaudited)
For the six-month period of October 1, 2008 to March 31, 2009

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the Virtus Foreign Opportunities Fund (the “Fund”) you may incur two types of costs: (1) transaction costs, including sales charges on purchases of Class A shares and contingent deferred sales charges on Class C shares; and (2) ongoing costs, including investment advisory fees; distribution and service fees; and other expenses. Class I shares are sold without a sales charge and do not incur distribution and service fees. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. These examples are based on an investment of $1,000 invested at the beginning of the period and held for the entire six-month period. The following Expense Table illustrates your fund’s costs in two ways.

Actual Expenses

The first section of the accompanying table provides information about actual account values and actual expenses. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by $1,000 (for example, an $8,600 account value divided by $1,000 = 8.6), then multiply the result by the number given for your fund under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during the period.

Hypothetical Example for Comparison Purposes

The second section of the accompanying table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare these 5% hypothetical examples with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the accompanying tables are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges or contingent deferred sales charges. Therefore, the second section of the accompanying table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher. The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

VIRTUS FOREIGN OPPORTUNITIES FUND
Disclosure of Fund Expenses (Unaudited) (Continued)
For the six-month period of October 1, 2008 to March 31, 2009

Expense Table

	Beginning Account Value October 1, 2008	Ending Account Value March 31, 2009	Annualized Expense Ratio	Expenses Paid During Period*
Actual				
Class A	$1,000.00	$ 710.60	1.48%	$ 6.31
Class C	1,000.00	707.90	2.24%	9.54
Class I	1,000.00	712.50	1.24%	5.29
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.46	1.48%	7.47
Class C	1,000.00	1,013.62	2.24%	11.31
Class I	1,000.00	1,018.67	1.24%	6.26

* Expenses are equal to the Fund's annualized expense ratio which includes waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (182) expenses were accrued in the most recent fiscal half-year, then divided by 365 days to reflect the one-half year period.

The Fund may invest in other funds and the annualized expense ratios noted above do not reflect fees and expenses associated with the underlying funds. If such fees and expenses were included, the expenses would have been higher.

You can find more information about the Fund's expenses in the Financial Statements section that follows. For additional information on operating expenses and other shareholder costs, refer to the prospectus.

VIRTUS FOREIGN OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS
MARCH 31, 2009
(Unaudited)

Sector Weightings as of 3/31/09*

Consumer Staples	41%
Health Care	16%
Utilities	11%
Energy	10%
Financials	6%
Industrials	5%
Information Technology	3%
Other	8%

* % of total investments as of March 31, 2009.

($ reported in thousands)

	SHARES	VALUE
COMMON STOCKS†—93.1%		
Consumer Discretionary—0.4%		
Shimano, Inc.	90,100	$ 2,743
Consumer Staples—39.1%		
British American Tobacco plc	1,652,316	38,170
Cadbury plc	1,258,573	9,493
Coca-Cola Amatil Ltd.	1,306,346	7,873
Colruyt SA	15,872	3,640
Companhia de Bebidas das Americas ADR	144,828	6,916
Diageo plc	971,913	10,853
Hindustan Unilever Ltd.	2,608,117	12,202
Imperial Tobacco Group plc	1,183,391	26,577
ITC Ltd.	2,825,813	10,314
KT&G Corp.	133,419	7,364
Lindt & Spruengli AG	4,764	6,373
Nestle India Ltd.	124,742	3,839
Nestle S.A. Registered Shares	930,600	31,440
Philip Morris International, Inc.	1,050,469	37,376
Reckitt Benckiser Group plc	646,739	24,265
Shoppers Drug Mart Corp.	149,800	5,149
Souza Cruz SA	533,911	10,210
Tesco plc	4,964,243	23,718

	SHARES	VALUE
Consumer Staples—(continued)		
Woolworths Ltd.	1,106,037	$ 19,197
		294,969
Energy—9.9%		
BG Group plc	844,637	12,741
Canadian Natural Resources Ltd.	167,781	6,509
Core Laboratories N.V.	379,368	27,755
Petroleo Brasileiro SA Sponsored ADR	164,421	4,028
Total SA	478,638	23,668
		74,701
Financials—5.5%		
HDFC Bank Ltd.	506,450	9,743
HDFC Bank Ltd. ADR	111,966	6,822
Housing Development Finance Corp.	696,294	19,430
QBE Insurance Group Ltd.	429,481	5,762
		41,757
Health Care—15.5%		
Cie Generale D'optique Essilor International SA	304,356	11,760
Cipla Ltd.	2,122,847	9,229
Fresenius Medical Care AG & Co KGaA	182,668	7,088

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2009
(Unaudited)

($ reported in thousands)

	SHARES	VALUE
Health Care—(continued)		
Novartis AG Registered Shares	460,383	$ 17,418
Novo Nordisk A/S Class B	489,771	23,483
Roche Holding AG Registered Shares	234,888	32,238
Synthes, Inc.	143,900	16,030
		117,246
Industrials—5.1%		
Bharat Heavy Electricals Ltd.	133,076	3,970
Capita Group plc/The	352,800	3,431
De La Rue plc	589,600	8,211
East Japan Railway Co.	165,400	8,623
Orkla ASA	757,347	5,195
Secom Co. Ltd.	247,200	9,153
		38,583
Information Technology—2.9%		
Nintendo Co. Ltd.	40,600	11,877
Redecard SA	853,600	10,343
		22,220
Materials—1.6%		
Air Liquide SA[3]	143,491	11,669
Telecommunication Services—2.4%		
Bharti Airtel Ltd.[2]	742,874	9,194
China Mobile Ltd.	992,821	8,648
		17,842
Utilities—10.7%		
Cheung Kong Infrastructure Holdings Ltd	1,085,733	$ 4,344
Companhia Energetica de Minas Gerais	389,900	5,773
CPFL Energia SA	254,900	3,461
Enagas S.A.	1,359,656	19,252
Red Electrica Corp. S.A.	486,500	19,005
RWE AG	148,480	10,398
Terna Rete Elettrica Nazionale SPA	3,375,500	10,508
Tokyo Gas Co. Ltd.	2,347,600	8,236
		80,977
TOTAL COMMON STOCKS (Identified Cost $851,483)		**702,707**
TOTAL LONG TERM INVESTMENTS—93.1% (Identified Cost $851,483)		**702,707**
SHORT-TERM INVESTMENTS—2.4%		
Money Market Mutual Funds—2.4%		
State Street Institutional Liquid Reserves Fund (seven-day effective yield 0.577%)	18,130,607	18,131
TOTAL SHORT-TERM INVESTMENTS (Identified Cost $18,131)		**18,131**
TOTAL INVESTMENTS—95.5% (Identified Cost $869,614)		**720,838**[1]
Other assets and liabilities, net—4.5%		33,601
NET ASSETS—100.0%		**$754,439**

† Security classifications are based on sectors.

Abbreviations:

ADR – American Depositary Receipt
GBP – British Pound
INR – Indian Rupee
KRW – Korean Won
USD – United States Dollar

Footnote Legend:

(1) Federal Income Tax Information: For tax information at March 31, 2009, see Note 9 Federal Income Tax Information in the Notes to Financial Statements.
(2) Non-income producing.
(3) All or a portion segregated as collateral for forward currency contracts.

See Notes to Financial Statements

(Amounts reported in thousands)

At March 31, 2009, the Fund had entered into forward currency contracts as follows:

Contract to Sell		In Exchange for		Settlement Date	Value	Net Unrealized Appreciation (Depreciation)
GBP	5,567	USD	8,227	7/20/09	$ (7,992)	$ 235
GBP	53,340	USD	72,372	7/20/09	(76,574)	(4,202)
GBP	6,936	USD	9,867	7/20/09	(9,957)	(90)
KRW	4,007,907	USD	2,788	8/19/09	(2,913)	(125)
INR	1,101,114	USD	21,625	8/20/09	(21,427)	198
INR	229,399	USD	4,393	9/2/09	(4,460)	(67)
						$(4,051)

Country Weightings as of 3/31/09*

United Kingdom	22%
Switzerland	19
India	12
Brazil	6
France	6
Japan	6
Spain	5
Other	24

* **Foreign Security Country Determination:**
A combination of the following criteria is used to assign the countries of risk listed in the table shown above. Country of incorporation, actual building address, primary exchange on which security is traded and country in which the greatest percentage of company revenue is generated.

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
Statement of Assets and Liabilities
March 31, 2009
(Unaudited)

(Amounts reported in thousands except shares and per share amounts)

Assets	
Investment securities at value[1]	$ 720,838
Foreign currency at value[2]	554
Receivables	
Investment securities sold	42,745
Dividends and interest	5,568
Fund shares sold	2,827
Tax reclaims	1,126
Unrealized appreciation on forward currency contracts	433
Prepaid expenses	87
Total assets	774,178
Liabilities	
Payables	
Fund shares repurchased	2,771
Investment securities purchased	11,031
Foreign capital gain taxes	303
Investment advisory fees	536
Distribution and service fees	133
Administration fees	58
Transfer agent fees and expenses	228
Trustees' fee and expenses	14
Professional fees	30
Other accrued expenses	151
Unrealized depreciation on forward currency contracts	4,484
Total liabilities	19,739
Net Assets	**$ 754,439**
Net Assets Consist of:	
Capital paid in on shares of beneficial interest	$ 1,279,235
Accumulated undistributed net investment income (loss)	3,489
Accumulated undistributed net realized gain (loss)	(375,107)
Net unrealized appreciation (depreciation)	(153,178)
Net Assets	**$ 754,439**
Class A	
Net asset value per share (net assets/shares outstanding)	$14.43
Offering price per share $14.43/(1-5.75%)	$15.31
Shares of beneficial interest outstanding, $0.001 par value, unlimited authorization	27,234,286
Net Assets	$ 392,952
Class C	
Net asset value (net assets/shares outstanding) and offering price per share	$14.34
Shares of beneficial interest outstanding, $0.001 par value, unlimited authorization	4,012,274
Net Assets	$ 57,528
Class I	
Net asset value (net assets/shares outstanding) and offering price per share	$14.44
Shares of beneficial interest outstanding, $0.001 par value, unlimited authorization	21,048,524
Net Assets	$ 303,959

[1] Investment securities at cost	$ 869,614
[2] Foreign currency at cost	$ 567

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
Statement of Operations
Six Months Ended March 31, 2009
(Unaudited)

(Reported in thousands)

Investment Income	
Dividends	$ 14,398
Interest	17
Security lending	29
Foreign taxes withheld	(879)
Total investment income	13,565
Expenses	
Investment advisory fee	3,538
Service fees, Class A	558
Distribution and service fees, Class C	338
Administration fee	356
Transfer agent fees and expenses	662
Custodian fees	298
Printing fees and expenses	66
Registration fees	57
Trustees fee and expenses	48
Professional fees	29
Miscellaneous	90
Total expenses	6,040
Net investment income (loss)	**7,525**
Net Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on investments	(272,643)
Net realized gain (loss) on foreign currency transactions	22,232
Net change in unrealized appreciation (depreciation) on investments	(74,174)
Net change in unrealized appreciation (depreciation) on foreign currency translations	(3,746)
Net gain (loss) on investments	**(328,331)**
Net increase (decrease) in net assets resulting from operations	**$(320,806)**

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
Statement of Changes in Net Assets

(Reported in thousands)

	Six Months Ended March 31, 2009 (Unaudited)	Year Ended September 30, 2008
From Operations		
Net investment income (loss)	$ 7,525	$ 10,197
Net realized gain (loss)	(250,411)	(97,223)
Net change in unrealized appreciation (depreciation)	(77,920)	(299,345)
Increase (decrease) in net assets resulting from operations	(320,806)	(386,371)
From Distributions to Shareholders		
Net investment income, Class A	(5,015)	(4,273)
Net investment income, Class C	—	(216)
Net investment income, Class I	(4,811)	(3,178)
Net realized short-term gains, Class A	(259)	(6,704)
Net realized short-term gains, Class C	(40)	(1,119)
Net realized short-term gains, Class I	(184)	(4,041)
Net realized long-term gains, Class A	—	(5,433)
Net realized long-term gains, Class C	—	(907)
Net realized long-term gains, Class I	—	(3,275)
Decrease in net assets from distributions to shareholders	(10,309)	(29,146)
From Share Transactions[1]		
Sale of shares		
Class A (7,220 and 15,249 shares, respectively)	113,513	403,457
Class C (386 and 1,782 shares, respectively)	6,028	47,916
Class I (6,386 and 8,230 shares, respectively)	101,011	206,483
Reinvestment of distributions		
Class A (293 and 514 shares, respectively)	4,739	14,391
Class C (2 and 51 shares, respectively)	29	1,421
Class I (249 and 285 shares, respectively)	4,026	7,970
Plans of Reorganization (See Note 10)		
Class A (0 and 2,807 shares, respectively)	—	62,246
Class C (0 and 68 shares, respectively)	—	1,495
Class I (0 and 0 shares, respectively)	—	—
Shares repurchased		
Class A (10,512 and 11,701 shares, respectively)	(165,185)	(290,186)
Class C (1,087 and 963 shares, respectively)	(16,814)	(23,872)
Class I (5,014 and 4,187 shares, respectively)	(78,166)	(105,982)
Increase (decrease) in net assets from share transactions	(30,819)	325,339
Net increase (decrease) in net assets	(361,934)	(90,178)
Net Assets		
Beginning of period	1,116,373	1,206,551
End of period	**$ 754,439**	**$1,116,373**
Accumulated undistributed net investment income (loss) at end of period	$ 3,489	$ 5,790

[1] During the period ended March 31, 2009, a non-affiliate reimbursed the Fund as a result of dilutions caused by incorrectly processed shareholder activity. The effect of this activity would have reduced total return by less than .01% for the Fund.

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
Financial Highlights
Selected Per Share Data and Ratios For a Share Outstanding Throughout Each Period

	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Return of Capital
Class A							
10/1/08-3/31/09[10]	$20.54	$ 0.14[4]	$(6.06)	$(5.92)	$(0.18)	$(0.01)	$ —
10/1/07-9/30/08	28.58	0.20[4]	(7.59)	(7.39)	(0.17)	(0.48)	—
3/1/07-9/30/07	25.00	0.22[4]	3.46	3.68	(0.06)	(0.04)	—
3/1/06-2/28/07	21.47	0.21[4]	4.08	4.29	(0.17)	(0.59)	—
3/1/05-2/28/06	19.02	0.17[4]	3.85	4.02	(0.22)	(1.35)	—
3/1/04-2/28/05	15.47	0.16	3.81	3.97	(0.16)	(0.26)	—
1/1/04-2/29/04	14.84	(0.03)	0.66	0.63	—	—	—
1/1/03-12/31/03	11.86	0.12	3.39	3.51	(0.06)	(0.43)	(0.06)
Class C							
10/1/08-3/31/09[10]	$20.27	$ 0.08[4]	$(6.00)	$(5.92)	$ —	$(0.01)	$ —
10/1/07-9/30/08	28.31	0.01[4]	(7.52)	(7.51)	(0.05)	(0.48)	—
3/1/07-9/30/07	24.85	0.10[4]	3.44	3.54	(0.04)	(0.04)	—
3/1/06-2/28/07	21.41	(0.01)[4]	4.11	4.10	(0.07)	(0.59)	—
3/1/05-2/28/06	19.11	(0.06)[4]	3.92	3.86	(0.21)	(1.35)	—
3/1/04-2/28/05	15.55	0.01	3.84	3.85	(0.03)	(0.26)	—
1/1/04-2/29/04	14.95	(0.06)	0.66	0.60	—	—	—
10/10/03[9]-12/31/03	13.91	0.11	1.34	1.45	—	(0.43)	—
Class I							
10/1/08-3/31/09[10]	$20.58	$ 0.16[4]	$(6.05)	$(5.89)	$(0.24)	$(0.01)	$ —
10/1/07-9/30/08	28.61	0.27[4]	(7.61)	(7.34)	(0.21)	(0.48)	—
3/1/07-9/30/07	25.00	0.25[4]	3.47	3.72	(0.07)	(0.04)	—
5/15/06[9]-2/28/07	22.54	0.13[4]	3.14	3.27	(0.22)	(0.59)	—

(1) Sales charges, where applicable, are not reflected in the total return calculation.
(2) Annualized.
(3) Not annualized.
(4) Computed using average shares outstanding.
(5) Amount is less than $0.005.
(6) Payment by affiliate.
(7) Payment by non-affiliate.
(8) Blended net expense ratio.
(9) Inception date.
(10) Unaudited.

See Notes to Financial Statements

Total Distributions	Payment by Affiliate/ Non-Affiliate	Change in Net Asset Value	Net Asset Value, End of Period	Total Return[1]	Net Assets, End of Period (in thousands)	Ratio of Net Expenses to Average Net Assets	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements)	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
$(0.19)	$ —[5][7]	$(6.11)	$14.43	(28.94)%[3]	$392,952	1.48%[2]	1.48%[2]	1.74%[2]	45%[3]
(0.65)	—	(8.04)	20.54	(26.48)	620,952	1.37[8]	1.39	0.78	129
(0.10)	—[5][7]	3.58	28.58	14.72[3]	667,719	1.36[2]	1.40[2]	1.44[2]	49[3]
(0.76)	—	3.53	25.00	20.39	360,822	1.37	1.43	0.88	57
(1.57)	—	2.45	21.47	21.82	128,991	1.25	1.62	0.85	52
(0.42)	—[5][6]	3.55	19.02	26.15[6]	2,714	1.25	2.10	1.50	32
—	—	0.63	15.47	4.25[3]	1,482	1.25[2]	2.63[2]	0.18[2]	41[3]
(0.55)	0.02	2.98	14.84	30.07	1,473	2.87	3.21	0.11	65
$(0.01)	$ —[5][7]	$(5.93)	$14.34	(29.21)%[3]	$ 57,528	2.24%[2]	2.24%[2]	0.97%[2]	45%[3]
(0.53)	—	(8.04)	20.27	(27.04)	95,523	2.12[8]	2.15	0.03	129
(0.08)	—[5][7]	3.46	28.31	14.24[3]	106,847	2.11[2]	2.16[2]	0.64[2]	49[3]
(0.66)	—	3.44	24.85	19.46	45,154	2.13	2.17	(0.06)	57
(1.56)	—	2.30	21.41	20.96	6,019	2.00	2.35	(0.29)	52
(0.29)	—[5][6]	3.56	19.11	25.21	39	2.00	2.86	0.76	32
—	—	0.60	15.55	4.01[3]	12	2.00[2]	3.38[2]	(1.05)[2]	41[3]
(0.43)	0.02	1.04	14.95	10.71[3]	11	1.92[2]	5.85[2]	(0.14)[2]	65[3]
$(0.25)	$ —[5][7]	$(6.14)	$14.44	(28.75)%[3]	$303,959	1.24%[2]	1.24%[2]	2.08%[2]	45%[3]
(0.69)	—	(8.03)	20.58	(26.31)	399,898	1.12[8]	1.15	1.01	129
(0.11)	—[5][7]	3.61	28.61	14.88[3]	431,985	1.11[2]	1.15[2]	1.59[2]	49[3]
(0.81)	—	2.46	25.00	14.84[3]	83,938	1.13[2]	1.17[2]	0.71[2]	57[3]

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS
March 31, 2009 (Unaudited)

1. Organization

Virtus Opportunities Trust, (the “Trust”), is organized as a Delaware statutory trust and is registered under the Investment Company Act of 1940, as amended, as an open-end management investment company.

As of the date of this report, eighteen funds are offered for sale, of which the Virtus Foreign Opportunities Fund (the “Fund”) is reported in this semiannual report. The Fund is diversified and has an investment objective to seek long-term capital appreciation.

The Fund offers Class A shares, Class C shares and Class I shares.

Class A shares are sold with a front-end sales charge of up to 5.75% with some exceptions. Generally, Class A shares are not subject to any charges by the Fund when redeemed; however, a 1% contingent deferred sales charge (“CDSC”) may be imposed on certain redemptions made within one year following purchases on which a finder’s fee has been paid. The one-year period begins on the last day of the month preceding the month the purchase was made. Class C shares are generally sold with a 1% contingent deferred sales charge, if applicable, if redeemed within one year of purchase. Class I shares are sold without a sales charge.

Each class of shares has identical voting, dividend, liquidation and other rights and the same terms and conditions, except that each class bears different distribution and/or service expenses and has exclusive voting rights with respect to its distribution plan. Class I bears no distribution and/or service expenses. Income and other expenses and realized and unrealized gains and losses of the Fund are borne pro rata by the holders of each class of shares.

2. Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and those differences could be significant.

A. Security valuation:

Equity securities are valued at the official closing price (typically last sale) on the exchange on which the securities are primarily traded, or if no closing price is available, at the last bid price.

Debt securities are valued on the basis of broker quotations or valuations provided by a pricing service, which utilizes information with respect to recent sales, market transactions in comparable securities, quotations from dealers, and various relationships between securities in determining value. Due to excessive volatility in the current market (please see Note 12 on Market Conditions), valuations developed through pricing techniques may materially vary from the actual amounts realized upon sale of the securities.

As required, some securities and assets may be valued at fair value as determined in good faith by or under the direction of the Trustees.

Certain foreign common stocks may be fair valued in cases where closing prices are not readily available or are deemed not reflective of readily available market prices. For example, significant events (such as movement in the U.S. securities market, or other regional and local developments) may occur between the time that foreign markets close (where the security is principally traded) and the time that the Fund calculates its net asset value (generally, the close of the NYSE) that may impact the value of securities traded in these foreign markets. In these cases, information from an external vendor may be utilized to adjust closing market prices of certain foreign common stocks to reflect their fair value. Because the frequency of significant events is not predictable, fair valuation of certain foreign common stocks may occur on a frequent basis.

On March 31, 2009, the Fund utilized foreign fair value pricing.

Short-term investments having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market.

Investments in underlying money market mutual funds are valued at each fund's closing net asset value.

The Fund has adopted the provisions of Statement of Financial Accounting Standards No. 157 ("SFAS 157") as of the beginning of the current fiscal year of the Fund. This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, the Fund utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – prices determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – prices determined using significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The following is a summary of the inputs used to value the Fund's net assets as of March 31, 2009. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

($ reported in thousands) Valuation Inputs	Investments in Securities Market Value	Other Financial Instruments*
Level 1 – Quoted Prices	$158,503	$ —
Level 2 – Significant Observable Inputs	562,335	(4,051)
Level 3 – Significant Unobservable Inputs	—	—
Total	$720,838	$(4,051)

* Other financial instruments include forward currency contracts not reflected in the Schedule of Investments, which are valued at the unrealized appreciation (depreciation) on the investment.

B. Security transactions and related income:

Security transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date, or in the case of certain foreign securities, as soon as the Fund is notified. Interest income is recorded on the accrual basis. The Fund amortizes premiums and accretes discounts using the effective interest method. Realized gains and losses are determined on the identified cost basis.

C. Income taxes:

The Fund is treated as a separate taxable entity. It is the policy of the Fund to comply with the requirements of Subchapter M of the Internal Revenue Code and to distribute substantially all of its taxable income to its shareholders. Therefore, no provision for federal income taxes or excise taxes has been made.

The Fund may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable based upon current interpretations of the tax rules and regulations that exist in the markets in which it invests.

FASB Interpretation No. 48 (“FIN 48”), Accounting for Uncertainty in Income Taxes, sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Management has analyzed the Fund’s tax positions and has concluded that no provision for income tax is required in the Fund’s financial statements. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. Each of the Fund’s federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

D. Distributions to shareholders:

Distributions are recorded by the Fund on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences may include the treatment of non-taxable dividends, market premium and discount, non-deductible expenses, expiring capital loss carryovers, foreign currency gain or loss, gain or loss on futures contracts, partnerships, operating losses and losses deferred due to wash sales. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest.

E. Expenses:

Expenses incurred by the Trust with respect to more than one fund are allocated in proportion to the net assets of each fund, except where allocation of direct expense to each fund or an alternative allocation method can be more appropriately made.

F. Foreign currency translation:

Foreign securities and other assets and liabilities are valued using the foreign currency exchange rate effective at the end of the reporting period. Cost of investments is translated at the currency exchange rate effective at the trade date. The gain or loss resulting from a change in currency exchange rates between the trade and settlement date of a portfolio transaction is treated as a gain or loss on foreign currency. Likewise, the gain or loss resulting from a change in currency exchange rates between the date income is accrued and the date it is paid is treated as a gain or loss on foreign currency. The Trust does not isolate that portion of the results of operations arising from changes in exchange rates or from fluctuations which arise due to changes in the market prices of securities.

G. Forward currency contracts:

The Fund may enter into forward currency contracts in conjunction with the planned purchase or sale of foreign denominated securities in order to hedge the U.S. dollar cost or proceeds. Forward currency contracts involve, to varying degrees, elements of market risk in excess of the amount recognized in the Statement of Assets and Liabilities. Risks arise from the possible movements in foreign exchange rates or if the counterparty does not perform under the contract.

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, which may be any number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are traded directly between currency traders and their customers. The contract is marked-to-market daily and the change in market value is recorded by the Fund as an unrealized gain or loss. When the contract is closed or offset with the same counterparty, the Fund records a realized gain or loss equal to the change in the value of the contract when it was opened and the value at the time it was closed or offset.

H. Security lending:

The Fund may loan securities to qualified brokers through an agreement with State Street Bank and Trust Company (the "Custodian"). Under the terms of the agreement, the Fund is required to maintain collateral with a market value not less than 100% of the market value of loaned securities. Collateral is adjusted daily in connection with changes in the market value of securities on loan. Collateral may consist of cash, or securities issued or guaranteed by the U.S. Government or its agencies. Cash collateral is invested in a short-term money market fund. Dividends earned on the collateral and premiums paid by the broker are recorded as income by the Fund net of fees and rebates charged by the Custodian for its services in connection with this securities lending program. Lending portfolio securities involves a risk of delay in the recovery of the loaned securities or in the foreclosure on collateral.

At March 31, 2009, the Fund had no securities on loan.

I. Equity linked certificates:

The Fund may invest in equity linked certificates. The Fund purchases the certificates ("notes") from a broker, who in turn purchases shares in the local market and issues a call note hedged on the underlying holding. If the Fund exercises its call and closes its position, the shares are sold and the note redeemed with the proceeds. Each note represents one share of the underlying stocks; therefore, the price, performance and liquidity of the note are all directly linked to the underlying stock. The notes can be redeemed for 100% of the value of the underlying stock, less transaction costs. In addition to the market risk of the underlying holding, the Fund bears additional counterparty risk to the issuing broker.

3. Investment Advisory Fee and Related Party Transactions
($ reported in thousands except as noted)

At end of business December 31, 2008, Virtus Investment Partners, Inc. ("Virtus") spun off from The Phoenix Companies, Inc. ("PNX"), into an independent publicly traded company which through its affiliates provides asset management and related services to individuals and institutions. Virtus Investment Advisers, Inc. ("VIA," the "Adviser," formerly known as Phoenix Investment Counsel, Inc.) and VP Distributors, Inc. ("VP Distributors," formerly known as Phoenix Equity Planning Corporation) are indirect wholly-owned subsidiaries of Virtus. Due to the spin-off, the asset management subsidiaries have changed their names to reflect the Virtus brand.

As compensation for its services to the Fund, the Adviser is entitled to a fee based upon the following annual rates as a percentage of the average daily net assets of the Fund.

1st $2 Billion	$2 Billion Through $4 Billion	$4+ Billion
0.85%	0.80%	0.75%

Effective August 23, 2007, the Adviser may recapture operating expenses waived or reimbursed under arrangements previously in effect, within three fiscal years following the end of the fiscal year in which such waiver or reimbursement occurred. The Fund must pay its ordinary operating expenses before the Adviser is entitled to any reimbursement and must remain in compliance with any applicable expense limitations. All or a portion of reimbursed expenses may be recaptured by the fiscal years ended as follows:

2010	2011	Total
$189	$341	$530

The Adviser manages the Fund's investment program and general operations of the Fund, including oversight of the Fund's subadviser, Vontobel Asset Management, Inc. ("Vontobel").

As distributor of the Fund's shares, VP Distributors, an indirect wholly-owned subsidiary of Virtus, has advised the Fund that it retained net selling commissions and deferred sales charges for the six-month period (the "period") ended March 31, 2009, as follows:

Class A Net Selling Commissions	Class C Deferred Sales Charges
$11	$25

The Fund pays VP Distributors distribution and/or service fees at the following annual rates as a percentage of the average daily net assets of each respective class:

Class A	Class C
0.25%	1.00%

There are no distribution and/or service fees for Class I.

Under certain circumstances, shares of certain Virtus Mutual Funds may be exchanged for shares of the same class of certain other Virtus Mutual Funds on the basis of the relative net asset values per share at the time of the exchange. On exchanges with share classes that carry a contingent deferred sales charge, the CDSC schedule of the original shares purchased continues to apply.

VP Distributors serves as the Administrator to the Fund. For its services, which include financial agent services, VP Distributors receives an administration fee at an annual rate of 0.09% of the first $5 billion, 0.08% on the next $10 billion, and 0.07% over $15 billion of the average net assets across all non-money market Virtus Mutual Funds and certain other funds. For the period ended March 31, 2009, the Fund incurred administration fees totaling $356.

VP Distributors also serves as the Trust's transfer agent. For the period ended March 31, 2009, transfer agent fees were $662 as reported in the Statement of Operations.

At March 31, 2009, Virtus and its affiliates, the retirement plans of Virtus and its affiliates and Virtus Funds held shares of the Fund which may be redeemed at any time that aggregated the following:

	Aggregate Shares	Net Asset Value
Class A shares	993,573	$14,337
Class I shares	2,546,473	36,771

Until March 1, 2007, the Trust provided a deferred compensation plan to its trustees who were not officers of Virtus. Under the deferred compensation plan, trustees were able to elect to defer all or a portion of their compensation. Amounts deferred were retained by the Fund, and to the extent permitted by the 1940 Act, as amended, could have been invested in the shares of those Virtus Mutual Funds selected by the trustees.

4. Purchases and Sales of Securities
($ reported in thousands)

Purchases and sales of investment securities for the Fund (excluding U.S. Government securities and agency securities, forward currency contracts and short-term securities) during the period ended March 31, 2009, were as follows:

Purchases	Sales
$359,277	$395,117

There were no purchases or sales of long-term U.S. Government and agency securities.

5. 10% Shareholders

As of March 31, 2009, the Fund had individual shareholder accounts and/or omnibus shareholder accounts (comprised of a group of individual shareholders), which individually amounted to more than 10% of the total shares outstanding of the fund as detailed below. The shareholders are not affiliated with Virtus.

% of Shares Outstanding	Number of Accounts
26%	2

6. Credit Risk and Asset Concentrations

In countries with limited or developing markets, investments may present greater risks than in more developed markets and the prices of such investments may be volatile. The consequences of political, social or economic changes in these markets may have disruptive effects on the market prices of these investments and the income they generate, as well as a Fund's ability to repatriate such amounts.

The Fund may invest a high percentage of its assets in specific sectors of the market in its pursuit of a greater investment return. Fluctuations in these sectors of concentration may have a greater impact on the Fund, positive or negative, than if the Fund did not concentrate its investments in such sectors.

At March 31, 2009, the Fund held securities issued by various companies in the consumer staples sector, representing 41% of the total investments of the Fund.

7. Indemnifications

Under the Fund's organizational documents, its Trustees and Officers are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, the Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these arrangements.

8. Regulatory Exams

Federal and state regulatory authorities from time to time make inquiries and conduct examinations regarding compliance by Virtus (and, prior to the spin-off described in Note 3, PNX) and its subsidiaries (collectively "the Company") with securities and other laws and regulations affecting their registered products.

There are currently no such matters which the Company believes will be material to these financial statements.

9. Federal Income Tax Information

($ reported in thousands)

At March 31, 2009, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Fund were as follows:

Federal Tax Cost	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
$890,243	$11,922	$(181,327)	$(169,405)

The Fund has capital loss carryovers which may be used to offset future capital gains, as follows:

Expiration Year		
2009	2010	Total
$1,299	$379	$1,678

The Fund may not realize the benefit of these losses to the extent the Fund does not realize gains on investments prior to the expiration of the capital loss carryovers.

10. Plans of Reorganization

(All values except for per share amounts are reported in thousands)

On September 12, 2008, the Foreign Opportunities Fund acquired all of the net assets of the Phoenix International Strategies Fund ("International Strategies Fund") of the Virtus Opportunities Trust ("Opportunities Trust") pursuant to an Agreement and Plan of Reorganization approved by the Board of Trustees of Opportunities Trust on June 4, 2008. The acquisition was accomplished by a tax-free exchange of 2,807 Class A shares and 68 Class C shares of the Foreign Opportunities Fund outstanding on September 12, 2008 (valued at $62,246 and $1,495, respectively) for 5,615 Class A shares and 147 Class C shares of the International Strategies Fund outstanding on September 12, 2008. The International Strategies Fund had net assets on that date of $63,741 including $5,455 of net depreciation, which were combined with those of the Foreign Opportunities Fund. The aggregate net assets of Foreign Opportunities Fund immediately after the merger were $1,242,947. The shareholders of each Class of the International Strategies Fund received for each share owned approximately 0.50 and 0.46 share, respectively, of Class A and Class C shares of the Foreign Opportunities Fund.

11. Recently Issued Accounting Standards

In April 2009, FASB issued FASB Staff Position No. 157-4, *Determining Fair Value when the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (“FSP 157-4”). FSP 157-4 is effective for fiscal years and interim periods ending after June 15, 2009. FSP 157-4 provides additional guidance for estimating fair value in accordance with SFAS 157 (see Note 2A), when the volume and level of activity for the asset or liability have significantly decreased. FSP 157-4 also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP 157-4 requires entities to describe the inputs used in valuation techniques used to measure fair value and changes in inputs over the period. FSP 157-4 expands the three-level hierarchy disclosure and the level three-roll forward disclosure for each major security type as described in paragraph 19 of FAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities.* Management is currently evaluating the impact the implementation of FSP 157-4 will have on financial statement disclosures, if any.

In March 2008, Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“FAS 161”), was issued and is effective for fiscal years and interim periods beginning after November 15, 2008. FAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why a fund uses derivatives, how derivatives are accounted for, and how derivative instruments affect a fund’s results of operations and financial position. Management is currently evaluating the impact of FAS 161 on financial statement disclosures, if any.

12. Market Conditions

Events in the financial sector have resulted in an unusually high degree of volatility in the financial markets and the net asset value of many mutual funds, including the Fund. Such events include, but are not limited to, the seizure of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation by U.S. banking regulators, the bankruptcy filing of Lehman Brothers and sale of Merrill Lynch to Bank of America, and the government bailout of AIG. These companies represent financial institutions with which the Fund conducts business and/or whose securities are or may be held within the Fund. The potential investment of the Fund’s investments in these issuers, and the financial sector in general, as reflected in the Fund’s Schedule of Investments, exposes investors to the negative (or positive) performance resulting from these and other events.

CONSIDERATION OF ADVISORY AND SUB-ADVISORY AGREEMENTS BY THE BOARD OF TRUSTEES (Unaudited)

The Board of Trustees of the Trust, along with the Boards of Trustees of the other trusts in the Virtus Mutual Funds family of funds (collectively, the "Board"), are responsible for determining whether to approve the establishment and continuation of each investment advisory and sub-advisory agreement (each, an "Agreement") applicable to the Virtus Mutual Funds (collectively, the "Funds"). At meetings held on November 18 – 20, 2008, the Board, including a majority of the independent Trustees, considered and approved the continuation of each Agreement, as further discussed below. In approving each Agreement, the Board determined that the continued retention of the applicable adviser or subadviser was in the best interests of the Funds and their shareholders. The Trustees considered each Fund separately, though they also collectively took into account those interests that all the Funds had in common.

In reaching their decisions, the Board considered information furnished throughout the year at regular Board meetings as well as information prepared specifically in connection with the annual review process. During the review process, the Board received assistance and advice from, and met separately with, independent legal counsel. The Board's determination contemplated a number of factors that the Trustees believed, in light of the legal advice furnished to them as well as their own business judgment, to be relevant. Some of the factors that the Board considered are described below, although the Trustees did not identify any particular information or factor as controlling but instead considered the Agreements in the totality of the circumstances. Each individual Trustee may have evaluated the information presented differently, giving different weights to different factors.

Nature, Extent and Quality of Services. The majority of the Funds[1] are managed using a "manager of managers" structure that generally involves the use of one or more subadvisers to manage some or all of a Fund's portfolio. Under this structure, Virtus Investment Advisers, Inc. ("VIA") is responsible for evaluating and selecting subadvisers on an ongoing basis and making any recommendations to the Board regarding hiring, retaining or replacing subadvisers. In considering the Agreement with VIA, therefore, the Trustees considered VIA's process for supervising and managing the Funds' subadvisers, including (a) VIA's ability to select and monitor the subadvisers; (b) VIA's ability to provide the services necessary to monitor the subadvisers' compliance with the Funds' respective investment objectives, policies and restrictions as well as provide other oversight activities; and (c) VIA's ability and willingness to identify instances in which a subadviser should be replaced and to carry out the required changes. The Trustees also considered: (d) the experience, capability and integrity of VIA's management and other personnel; (e) the financial position of VIA; (f) the quality of VIA's own regulatory and legal compliance policies, procedures and systems; (g) the nature, extent and quality of administrative and other services provided by VIA to the Funds; and (h) VIA's supervision of the Funds' other service providers. Finally, the Board also noted the extent of benefits

[1] *During the period being reported, the only Funds that did not employ a manager of managers structure were Virtus Growth & Income Fund, which is a series of Virtus Equity Trust; and Virtus Wealth Accumulator Fund, Virtus Wealth Builder Fund, Virtus Diversifier Fund and Virtus Alternatives Diversifier Fund, which are series of Virtus Opportunities Trust. VIA acted as the adviser for these Funds without employing a subadviser, and the Board considered the VIA Agreement with respect to these Funds in that context.*

that are provided to Fund shareholders as a result of being part of the family of Virtus Mutual Funds, including the right to exchange investments between the same class of Funds without a sales charge, the ability to reinvest Fund dividends into other Funds and the right to combine holdings in other Funds to obtain a reduced sales charge.

With respect to the sub-advisory Agreements, the Board noted that each subadviser provided portfolio management, compliance with the respective Fund's investment policies and procedures, compliance with applicable securities laws and assurances thereof. In considering the renewal of the sub-advisory Agreements, therefore, the Board considered each subadviser's investment management process, including (a) the experience, capability and integrity of the subadviser's management and other personnel committed by the subadviser to its respective Fund(s); (b) the financial position of the subadviser; (c) the quality and commitment of the subadviser's regulatory and legal compliance policies, procedures and systems; and (d) the subadviser's brokerage and trading practices.

After considering all of the information provided to them, the Trustees concluded that the nature, extent and quality of the services provided by VIA and each subadviser were reasonable and beneficial to the Funds and their shareholders.

Investment Performance. The Board placed significant emphasis on its consideration of the investment performance of the Funds, in view of its importance to shareholders, and evaluated Fund performance in the context of the special considerations that a manager-of-managers structure requires. The Board also considered that VIA continued to be proactive in seeking to replace and/or add subadvisers as necessary, with a view toward improving Fund performance over the long term.

While consideration was given to performance reports and discussions at Board meetings throughout the year, particular attention in assessing such performance was given to a report (the "Lipper Report") for the Funds prepared by Lipper Inc. ("Lipper") and furnished specifically for the contract renewal process. (Lipper is an independent provider of investment company data retained by the Funds for this purpose.) The Lipper Report presented each Fund's short-term and long-term performance relative to a peer group of other mutual funds and relevant benchmarks, as selected by Lipper. The Board considered the composition of each peer group, selection criteria and the appropriateness of the benchmark used for each Fund. The Board also assessed each Fund's performance in the context of its review of the fees and expenses of each Fund as well as VIA's profitability.

The Board noted that while many of the Funds had generally performed in line with their respective benchmarks and peer groups during the periods measured, some of the Funds had underperformed in comparison with their respective benchmarks and/or peer groups. The Board noted that certain of the Funds' underperformance was slight, and that some of the Funds underperforming their benchmarks and/or peer groups for a given period had outperformed such benchmarks and/or peer groups during other periods. Where significant, the Board extensively considered the performance of the underperforming Funds and the reasons for the performance issues. The Board discussed the possible reasons for the underperformance with VIA, and spoke with representatives from VIA regarding plans to monitor and address performance issues during the coming year.

The Board ultimately determined, within the context of all of its considerations in connection with the Agreements, that the Funds' overall investment performance was reasonable, and concluded that VIA's and each subadviser's performance record and process in managing the Funds merited approval of the continuation of the Agreements. However, the Board noted that certain Funds' performance would continue to be closely monitored and it expected that if performance over a longer period of time did not improve the adviser would recommend that the subadviser be replaced in a timely manner.

Profitability. The Board also considered the level of profits realized by VIA and its affiliates in connection with the operation of the Funds. In this regard, the Board reviewed the analysis presented regarding the overall profitability of VIA for its management of the Virtus Mutual Funds, as well as its profits and those of its affiliates for managing and providing other services to each Fund. In addition to the fees paid to VIA and its affiliates, the Trustees considered any other benefits derived by VIA or its affiliates from their relationship with the Funds. Specific attention was paid to the methodology used to allocate costs to each Fund, in recognition of the fact that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. In this regard, the Board noted that the allocations appeared reasonable, and concluded that the profitability to VIA from each Fund was reasonable in light of the quality of all services rendered to the Funds by VIA and its affiliates.

The Board did not separately review profitability information for each subadviser, noting that the sub-advisory fees are paid by VIA rather than the Funds, so that Fund shareholders are not directly impacted by those fees.

Management Fees and Total Expenses. In evaluating the management fees and total expenses of each Fund, the Board reviewed information provided by VIA and comparisons to other funds in each Fund's peer group as presented in the Lipper Report. The Board noted that certain Funds had higher gross expenses when expressed as a percentage of net assets than those of such Funds' larger peers, which the Trustees considered in the context of these Funds' expectations for future growth. Finally, the Board also noted that several of the Funds had fee waivers and/or expense caps in place to limit the total expenses incurred by the Funds and their shareholders. Based upon the information presented by VIA and Lipper, the Trustees then determined, in the exercise of their business judgment, that the management fees charged by VIA and the total expenses of the Funds were reasonable, both on an absolute basis and in comparison with the fees and expenses of other funds in each Fund's peer group and the industry at large.

The Board did not receive comparative fee information relating specifically to sub-advisory fees, in light of the fact that the sub-advisory fees are paid by VIA and not by the Funds, so that Fund shareholders are not directly impacted by those fees.

Economies of Scale. The Board noted that the management fees for several of the Funds included breakpoints based on assets under management, and that fee waivers and/or expense caps were also in place for several of the Funds. The Board determined that VIA and the Funds likely would achieve certain economies of scale, particularly in relationship to certain fixed costs, and that shareholders of the Funds would have an opportunity to benefit from these economies of scale.

In considering the sub-advisory Agreements, the Board also considered the existence of any economies of scale and whether they would be passed along to the Funds' shareholders, but noted that any such economies would likely be generated at the Fund level rather than at the subadviser level.

VIRTUS OPPORTUNITIES TRUST

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Important Notice to Shareholders
The Securities and Exchange Commission has modified mailing regulations for semiannual and annual shareholder fund reports to allow mutual fund companies to send a single copy of these reports to shareholders who share the same mailing address. If you would like additional copies, please call Mutual Fund Services at 1-800-243-1574.

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