



Semiannual
Report

Virtus Foreign Opportunities Fund

TRUST NAME:
VIRTUS
OPPORTUNITIES
TRUST

March 31, 2011



No Bank Guarantee

Not FDIC Insured

May Lose Value

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Virtus Foreign Opportunities Fund

(“Foreign Opportunities Fund”)

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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, 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:

The last six months — especially the first quarter of this year — provided a textbook lesson in the unpredictable nature of capital markets and the importance of maintaining a disciplined investment approach. Investors were reminded that it is impossible to predict the events that might influence market performance or how the market will react to such events.

The markets faced a number of unusual challenges around the world, including Japan's recent earthquake and social unrest in the critical oil regions of North Africa and the Middle East. At the same time, the equities markets benefited from the stabilizing effects of the second round of quantitative easing, the Federal Reserve's (the "Fed's") gradual purchase of \$600 billion in U.S. Treasuries initiated last November. Confidence replaced concern, and investors started moving out of "safe haven" fixed income securities into equities.

Investors who stayed the course were rewarded for their perseverance. The S&P 500® Index, a broad measure of U.S. stock market performance, gained 17.3% for the six months ended March 31, 2011, and 5.92% in the first quarter alone — its best opening quarter since 1998. Fixed income markets generated more modest returns as interest rates inched higher. The Barclays Capital U.S. Aggregate Bond Index, which measures the performance of the taxable bond market, had performance of (0.88)% for the six months ended March 31, 2011, and a gain of 0.42% in the first quarter of 2011.

It is clear the U.S. economic recovery is gathering speed. We are seeing signs of improvement in manufacturing, the labor market and consumer spending. GDP is growing and corporate earnings are on the rise. Certainly, this news is positive but challenges remain: higher oil prices, a depressed housing market, and some concern that interest rates may start to increase after the Fed's Treasury purchases end in June.

At times of uncertainty, diversification takes on greater importance. While diversification cannot guarantee a profit or prevent loss, owning a variety of asset classes can help cushion your portfolio against market volatility. Your financial adviser can help you ensure your portfolio is adequately diversified. You may also want to visit our website, www.virtus.com, to learn about the full range of Virtus Mutual Funds, including some new investment strategies that may be used to diversify a core portfolio.

As always, thank you for investing with Virtus. Our investment team is committed to your financial success.

Sincerely,



George R. Aylward
President, Virtus Mutual Funds

May 2011

Whenever you have questions about your account, or require additional information, please visit us on the Web at www.virtus.com or call our shareowner service group toll-free at 1-800-243-1574.

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.

VIRTUS FOREIGN OPPORTUNITIES FUND Disclosure of Fund Expenses (Unaudited)

For the six-month period of October 1, 2010 to March 31, 2011

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 table 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, 2010 to March 31, 2011

Expense Table

	Beginning Account Value October 1, 2010	Ending Account Value March 31, 2011	Annualized Expense Ratio	Expenses Paid During Period*
Actual				
Class A	\$1,000.00	\$1,047.70	1.49%	\$ 7.61
Class C	1,000.00	1,044.50	2.24	11.42
Class I	1,000.00	1,049.50	1.24	6.34
Hypothetical (5% return before expenses)				
Class A	1,000.00	1,017.41	1.49	7.52
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 (Continued)
MARCH 31, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
Consumer Staples—continued			Health Care—11.2%		
Wal-Mart de Mexico S.A.B. de C.V. (Mexico)	2,677,660	\$ 8,037	BioMerieux (France)	161,992	\$ 16,991
Woolworths Ltd. (Australia)	967,437	<u>26,898</u>	Cie Generale D'optique Essilor International SA (France)	282,754	20,997
		<u>502,166</u>	Covidien plc (Ireland)	656,130	34,079
			Novartis AG Registered Shares (Switzerland)	428,697	23,253
Energy—6.5%			Novo Nordisk A/S Class B (Denmark) ⁽³⁾	267,173	<u>33,567</u>
Canadian Natural Resources Ltd. (Canada)	729,562	36,075			<u>128,887</u>
Core Laboratories N.V. (Netherlands) ⁽³⁾	290,640	29,695	Industrials—8.5%		
Royal Dutch Shell plc A Shares (United Kingdom)	245,686	<u>8,929</u>	Bharat Heavy Electricals Ltd. (India) ⁽²⁾	249,140	11,524
		<u>74,699</u>	Bunzl plc (United Kingdom)	678,200	8,100
Financials—19.6%			Bureau Veritas SA (France)	193,403	15,190
Admiral Group plc (United Kingdom)	508,293	12,671	Canadian National Railway Co. (Canada)	236,675	17,857
Amlin plc (United Kingdom)	2,695,421	16,505	Capita Group plc (The) (United Kingdom)	758,007	9,035
CETIP SA – Balcao Organizado de Ativos e Derivativos (Brazil)	835,165	13,633	Jain Irrigation Systems Ltd. (India)	648,455	2,601
Housing Development Finance Corp. (India)	3,269,670	51,411	Kuehne & Nagel International AG (Switzerland)	63,210	8,843
Housing Development Finance Corp. Bank Ltd. (India) ⁽⁵⁾	1,009,001	53,077	Prosegur Cia de Seguridad SA (Spain)	137,558	8,188
Muenchener Rueckversicherungs- Gesellschaft AG Registered Shares (Germany)	108,757	17,108	Secom Co., Ltd. (Japan) ⁽³⁾	349,700	<u>16,249</u>
Oversea-Chinese Banking Corp., Ltd. (Singapore)	1,470,000	11,172			<u>97,587</u>
QBE Insurance Group Ltd. (Australia)	943,521	17,245	Information Technology—2.3%		
Standard Chartered plc (United Kingdom)	1,221,196	<u>31,678</u>	Baidu.com, Inc. Sponsored ADR (China) ⁽²⁾	74,229	10,230
		<u>224,500</u>	Redecard SA (Brazil)	1,109,060	<u>16,269</u>
					<u>26,499</u>

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2011 (Unaudited)

(\$ reported in thousands)

	SHARES	VALUE
Utilities—1.9%		
CPFL Energia SA (Brazil)	417,200	\$ 11,962
Scottish & Southern Energy plc (United Kingdom)	463,384	9,374
		21,336
TOTAL COMMON STOCKS (Identified Cost \$819,092)		1,117,472
TOTAL LONG-TERM INVESTMENTS—100.3% (Identified Cost \$833,136)		1,150,067
SHORT-TERM INVESTMENTS—0.8%		
Money Market Mutual Funds—0.8%		
Dreyfus Cash Management Fund – Institutional Shares (seven-day effective yield 0.110%)	8,735,400	8,735
TOTAL SHORT-TERM INVESTMENTS (Identified Cost \$8,735)		8,735
SECURITIES LENDING COLLATERAL—7.1%		
Dreyfus Institutional Cash Advantage Fund – Institutional Shares (seven-day effective yield 0.060%) ⁽⁴⁾	81,396,184	81,396
TOTAL SECURITIES LENDING COLLATERAL (Identified Cost \$81,396)		81,396
TOTAL INVESTMENTS—108.2% (Identified Cost \$923,267)		\$1,240,198⁽¹⁾
Other assets and liabilities, net—(8.2%)		(93,632)
NET ASSETS—100.0%		\$1,146,566

Country Weightings†	
United Kingdom	26%
India	13
United States	12
Brazil	8
Switzerland	7
Australia	5
France	5
Other	24
Total	100%

† % of total investments as of March 31, 2011.

KEY INVESTMENT TERMS

ADR (American Depositary Receipt)

Represents shares of foreign companies traded in U.S. dollars on U.S. exchanges that are held by a U.S. bank or trust. Foreign companies use ADRs in order to make it easier for Americans to buy their shares.

Quantitative Easing

A government monetary policy occasionally used to increase the money supply by buying government securities or other securities from the market. Quantitative easing increases the money supply by flooding financial institutions with capital in an effort to promote increased lending and liquidity.

Sponsored ADR (American Depositary Receipt)

An ADR which is issued with the cooperation of the company whose stock will underlie the ADR. Sponsored ADRs generally carry the same rights normally given to stockholders, such as voting rights. ADRs must be sponsored to be able to trade on a major U.S. exchange such as the NYSE.

FOOTNOTE LEGEND

⁽¹⁾ Federal Income Tax Information: For tax information at March 31, 2011, see Note 8, Federal Income Tax Information in the Notes to Financial Statements.

⁽²⁾ Non-income producing.

⁽³⁾ All or a portion of security is on loan.

⁽⁴⁾ Represents security purchased with cash collateral received for securities on loan.

⁽⁵⁾ All or a portion segregated as collateral.

VIRTUS FOREIGN OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2011 (Unaudited)

(Reported in thousands)

At March 31, 2011, the Fund had entered into forward currency contracts as follows:

Contracts to Receive	In Exchange for	Counterparty	Settlement Date	Value	Unrealized Appreciation (Depreciation)
EUR 33,716	USD 47,525	Citibank	4/21/11	\$ 47,764	\$ 239
EUR 32,255	USD 45,551	Citibank	6/01/11	45,656	105
GBP 107,750	USD 167,213	Citibank	6/01/11	165,815	(1,398)
					<u><u>\$(1,054)</u></u>

Contracts to Sell	In Exchange for	Counterparty	Settlement Date	Value	Unrealized Appreciation (Depreciation)
EUR 33,716	USD 46,413	Citibank	4/21/11	\$47,763	\$(1,350)
EUR 26,755	USD 34,981	Citibank	6/01/11	37,871	(2,890)
EUR 5,500	USD 7,527	Citibank	6/01/11	7,785	(258)
GBP 45,125	USD 70,028	Citibank	6/01/11	72,328	(2,300)
GBP 58,326	USD 92,253	Citibank	6/01/11	93,487	(1,234)
					<u><u>(8,032)</u></u>
					<u><u>\$(9,086)</u></u>

Foreign Currencies:

EUR European Currency Unit
 GBP United Kingdom Pound Sterling
 USD United States Dollar

VIRTUS FOREIGN OPPORTUNITIES FUND
SCHEDULE OF INVESTMENTS (Continued)
MARCH 31, 2011 (Unaudited)

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of March 31, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at March 31, 2011	Level 1 – Quoted Prices	Level 2 – Significant Observable Inputs
Investments in Securities:			
Equity Securities:			
Common Stocks	\$1,117,472	\$1,117,472	\$ —
Preferred Stocks	32,595	17,675	14,920
Securities Lending Collateral	81,396	81,396	—
Short-Term Investments	8,735	8,735	—
Total Investments	<u>\$1,240,198</u>	<u>\$1,225,278</u>	<u>\$14,920</u>
Other Financial Instruments:			
Forward Currency Contracts ⁽¹⁾	<u>\$ (9,086)</u>	<u>\$ —</u>	<u>\$ (9,086)</u>

There are no Level 3 (significant unobservable inputs) priced securities.

⁽¹⁾ Valued at the unrealized appreciation (depreciation) on the investment.

VIRTUS FOREIGN OPPORTUNITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2011 (Unaudited)

(Reported in thousands except shares and per share amounts)

Assets

Investment in securities at value ⁽¹⁾⁽²⁾	\$ 1,240,198
Receivables	
Investment securities sold	14,108
Fund shares sold	1,095
Dividends and interest receivable	7,875
Tax reclaims	2,152
Trustee retainer	9
Prepaid expenses	53
Unrealized appreciation on forward currency contracts	344
	<u>1,265,834</u>

Liabilities

Payables	
Fund shares repurchased	5,788
Investment securities purchased	21,065
Collateral on securities loaned	81,396
Investment advisory fee	816
Distribution and service fees	147
Administration fee	132
Transfer agent fees and expenses	328
Professional fee	19
Other accrued expenses	147
Unrealized depreciation on forward currency contracts	9,430
	<u>119,268</u>

Net Assets	<u><u>\$ 1,146,566</u></u>
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Net Assets Consist of:

Capital paid in on shares of beneficial interest	\$ 1,216,073
Accumulated undistributed net investment income (loss)	4,187
Accumulated undistributed net realized gain (loss)	(381,789)
Net unrealized appreciation (depreciation) on investments	308,095
	<u>308,095</u>

Net Assets	<u><u>\$ 1,146,566</u></u>
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Class A

Net asset value (net assets/shares outstanding) per share	\$ 22.77
Maximum offering price per share NAV/(1-5.75%)	\$ 24.16
Shares of beneficial interest outstanding, \$0.001 par value, unlimited authorization	19,895,817
Net Assets	\$ 453,094

Class C

Net asset value (net assets/shares outstanding) and offering price per share	\$ 22.58
Shares of beneficial interest outstanding, \$0.001 value, unlimited authorization	2,567,749
Net Assets	\$ 57,970

Class I

Net asset value (net assets/shares outstanding) and offering price per share	\$ 22.81
Shares of beneficial interest outstanding, \$0.001 value, unlimited authorization	27,862,308
Net Assets	\$ 635,502

⁽¹⁾ Investment in securities at cost	\$ 923,267
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⁽²⁾ Market value of securities on loan	78,303
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See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
STATEMENT OF OPERATIONS
SIX MONTHS ENDED MARCH 31, 2011 (Unaudited)

(\$ reported in thousands)

Investment Income	
Dividends	\$ 14,055
Security lending	60
Interest	1
Foreign taxes withheld	(312)
	<hr/>
Total investment income	13,804
Expenses	
Investment advisory fees	4,906
Service fees, Class A	594
Distribution and service fees, Class C	306
Administration fees	813
Transfer agent fee and expenses	940
Custodian fees	248
Printing fees and expenses	57
Professional fees	29
Registration fees	44
Trustees' fee and expenses	42
Miscellaneous expenses	58
	<hr/>
Total expenses	8,037
Net investment income (loss)	<hr/> 5,767
Net Realized and Unrealized Gain (Loss) on Investments	
Net realized gain (loss) on investments	35,071
Net realized gain (loss) on foreign currency transactions	(13,048)
Net change in unrealized appreciation (depreciation) on investments	28,568
Net change in unrealized appreciation (depreciation) on foreign currency translation	(2,890)
	<hr/>
Net gain (loss) on investments	47,701
 Net increase (decrease) in net assets resulting from operations	 <u>\$ 53,468</u>

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND

STATEMENT OF CHANGES IN NET ASSETS

(Reported in thousands)

	Six Months Ended March 31, 2011 (Unaudited)	Year Ended September 30, 2010
From Operations		
Net investment income (loss)	\$ 5,767	\$ 22,111
Net realized gain (loss)	22,023	(10,019)
Net change in unrealized appreciation (depreciation)	25,678	150,758
Increase (decrease) in net assets resulting from operations	53,468	162,850
From Distributions to Shareholders		
Net investment income, Class A	(7,322)	(6,262)
Net investment income, Class C	(526)	(470)
Net investment income, Class I	(10,694)	(8,996)
Decrease in net assets from distributions to shareholders	(18,542)	(15,728)
From Share Transactions		
Sale of shares		
Class A (2,003 and 6,955 shares, respectively)	44,332	139,306
Class C (128 and 389 shares, respectively)	2,811	7,732
Class I (2,094 and 6,263 shares, respectively)	46,479	125,220
Reinvestment of distributions		
Class A (299 and 286 shares, respectively)	6,670	5,659
Class C (17 and 17 shares, respectively)	366	341
Class I (435 and 402 shares, respectively)	9,694	7,956
Shares repurchased		
Class A (4,760 and 10,912 shares, respectively)	(104,997)	(218,783)
Class C (533 and 1,104 shares, respectively)	(11,647)	(21,975)
Class I (2,841 and 7,031 shares, respectively)	(62,984)	(141,846)
Increase (decrease) in net assets from share transactions	(69,276)	(96,390)
Net increase (decrease) in net assets	(34,350)	50,732
Net Assets		
Beginning of period	1,180,916	1,130,184
End of period	\$1,146,566	\$1,180,916
Accumulated undistributed net investment income (loss) at end of period ..	4,187	16,962

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) ⁽¹⁾⁽⁴⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (000's)	Ratio of Net Expenses to Average Net Assets ⁽⁷⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁷⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Class A															
10/1/10 to 3/31/11 ⁽⁸⁾	\$22.06	0.09	0.96	1.05	(0.34)	—	(0.34)	0.71	\$22.77	4.77% ⁽³⁾	\$453,094	1.49% ⁽²⁾	1.49% ⁽²⁾	0.85% ⁽²⁾	18% ⁽³⁾
10/1/09 to 9/30/10	19.40	0.37	2.54	2.91	(0.25)	—	(0.25)	2.66	22.06	15.34	493,214	1.47	1.47	1.82	34
10/1/08 to 9/30/09	20.54	0.34	(1.29)	(0.95)	(0.18)	(0.01)	(0.19)	(1.14)	19.40	(4.41)	505,009	1.48	1.48	2.09	63
10/1/07 to 9/30/08	28.58	0.20	(7.59)	(7.39)	(0.17)	(0.48)	(0.65)	(8.04)	20.54	(26.48)	620,952	1.37 ⁽⁵⁾	1.39	0.78	129
3/1/07 to 9/30/07	25.00	0.22	3.46	3.68	(0.06)	(0.04)	(0.10)	3.58	28.58	14.72 ⁽³⁾	667,719	1.36 ⁽²⁾	1.40 ⁽²⁾	1.44 ⁽²⁾	49 ⁽³⁾
3/1/06 to 2/28/07	21.47	0.21	4.08	4.29	(0.17)	(0.59)	(0.76)	3.53	25.00	20.39	360,822	1.37	1.43	0.88	57
3/1/05 to 2/28/06	19.02	0.17	3.85	4.02	(0.22)	(1.35)	(1.57)	2.45	21.47	21.82	128,991	1.25	1.62	0.85	52
Class C															
10/1/10 to 3/31/11 ⁽⁸⁾	\$21.81	0.01	0.95	0.96	(0.19)	—	(0.19)	0.77	\$22.58	4.45% ⁽³⁾	\$ 57,970	2.24% ⁽²⁾	2.24% ⁽²⁾	0.10% ⁽²⁾	18% ⁽³⁾
10/1/09 to 9/30/10	19.21	0.21	2.52	2.73	(0.13)	—	(0.13)	2.60	21.81	14.42	64,480	2.22	2.21	1.04	34
10/1/08 to 9/30/09	20.27	0.22	(1.27)	(1.05)	—	(0.01)	(0.01)	(1.06)	19.21	(5.18)	70,201	2.23	2.23	1.33	63
10/1/07 to 9/30/08	28.31	0.01	(7.52)	(7.51)	(0.05)	(0.48)	(0.53)	(8.04)	20.27	(27.04)	95,523	2.12 ⁽⁵⁾	2.15	0.03	129
3/1/07 to 9/30/07	24.85	0.10	3.44	3.54	(0.04)	(0.04)	(0.08)	3.46	28.31	14.24 ⁽³⁾	106,847	2.11 ⁽²⁾	2.16 ⁽²⁾	0.64 ⁽²⁾	49 ⁽³⁾
3/1/06 to 2/28/07	21.41	(0.01)	4.11	4.10	(0.07)	(0.59)	(0.66)	3.44	24.85	19.46	45,154	2.13	2.17	(0.06)	57
3/1/05 to 2/28/06	19.11	(0.06)	3.92	3.86	(0.21)	(1.35)	(1.56)	2.30	21.41	20.96	6,019	2.00	2.35	(0.29)	52

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) ⁽¹⁾⁽⁶⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽¹⁾	Net Assets, End of Period (000's)	Ratio of Net Expenses to Average Net Assets ⁽⁷⁾	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) ⁽⁷⁾	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
Class I															
10/1/10 to 3/31/11 ⁽⁸⁾	\$22.12	0.13	0.95	1.08	(0.39)	—	(0.39)	0.69	\$22.81	4.95% ⁽³⁾	\$635,502	1.24% ⁽²⁾	1.24% ⁽²⁾	1.20% ⁽²⁾	18% ⁽³⁾
10/1/09 to 9/30/10	19.45	0.42	2.54	2.96	(0.29)	—	(0.29)	2.67	22.12	15.60	623,222	1.22	1.22	2.08	34
10/1/08 to 9/30/09	20.58	0.40	(1.28)	(0.88)	(0.24)	(0.01)	(0.25)	(1.13)	19.45	(4.03)	554,974	1.23	1.23	2.42	63
10/1/07 to 9/30/08	28.61	0.27	(7.61)	(7.34)	(0.21)	(0.48)	(0.69)	(8.03)	20.58	(26.31)	399,898	1.12 ⁽⁵⁾	1.15	1.01	129
3/1/07 to 9/30/07	25.00	0.25	3.47	3.72	(0.07)	(0.04)	(0.11)	3.61	28.61	14.88 ⁽³⁾	431,985	1.11 ⁽²⁾	1.15 ⁽²⁾	1.59 ⁽³⁾	49 ⁽³⁾
5/15/06 ⁽⁶⁾ to 2/28/07	22.54	0.13	3.14	3.27	(0.22)	(0.59)	(0.81)	2.46	25.00	14.84 ⁽³⁾	83,938	1.13 ⁽²⁾	1.17 ⁽²⁾	0.71 ⁽²⁾	57 ⁽³⁾

⁽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⁾ Blended net expense ratio.

⁽⁶⁾ Inception date.

⁽⁷⁾ The Fund may invest in other funds, and the annualized expense ratios do not reflect fees and expenses associated with the underlying funds.

⁽⁸⁾ Unaudited.

See Notes to Financial Statements

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2011 (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 ("1940 Act"), as amended, as an open-end management investment company.

As of the date of this report, 22 funds are offered for sale, of which the Foreign Opportunities Fund is reported in this semiannual report. The Fund is diversified and has an investment objective to seek long-term capital appreciation. *There is no guarantee the Fund will achieve its objective.*

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 18 months following purchases on which a finder's fee has been paid. The CDSC period begins on the last day of the month preceding the month in which the purchase was made.

Class C shares are generally sold with a 1% CDSC, if applicable, if redeemed within one year of purchase. Class I shares are sold without a front-end sales charge or CDSC.

Effective January 1, 2011, Virtus Mutual Funds impose an annual fee on accounts having balances of less than \$2,500. The small account fee may be waived in certain circumstances, as disclosed in the prospectuses and/or statements of additional information. The fees collected will be used to offset certain expenses of the Funds.

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 fees under a Board-approved 12b-1 and shareholder service plan and has exclusive voting rights with respect to this plan. Class I shares are not subject to a 12b-1 plan. 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, 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:

Security Valuation procedures for the Fund have been approved by the Board of Trustees. All internally fair valued securities, referred to below, are approved by a valuation committee appointed under the direction of the Board of Trustees.

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.)

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

- Level 3 – prices determined using significant unobservable inputs (including the valuation committee's own assumptions in determining the fair value of investments)

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

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 and are categorized as Level 1 in the hierarchy. Restricted equity securities and private placements that are not widely traded, are illiquid or are internally fair valued by the valuation committee, are generally categorized as Level 3 in the hierarchy.

Certain foreign securities 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 New York Stock Exchange ("NYSE")) that may impact the value of securities traded in these foreign markets. In such cases the Fund fair values foreign securities using an independent pricing service which considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as American Depositary Receipts, Financial Futures, Exchange Traded Funds, and certain Indexes as well as prices for similar securities. Such fair valuations are categorized as Level 2 in the hierarchy. Because the frequency of significant events is not predictable, fair valuation of certain Foreign Common stocks may occur on a frequent basis.

Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are categorized as Level 1 in the hierarchy. Over the counter (OTC) derivative contracts, which include Forward Currency Contracts and Equity Linked instruments, do not require material subjectivity as pricing inputs are observed from actively quoted markets and are categorized as Level 2 in the hierarchy.

Investments in open-end mutual funds are valued at their closing net asset value determined as of the close of regular trading on the NYSE (generally 4:00 p.m. Eastern time) each business day and are categorized as Level 1 in the hierarchy.

Short-term Notes having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market and are generally categorized as Level 2 in the hierarchy.

A summary of the inputs used to value the Fund's major categories of assets and liabilities, which primarily include investments of the Fund by each major security type is disclosed at the end of the Schedule of Investments for the Fund. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

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.

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

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.

The Fund has adopted the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, which requires the Fund to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Fund has determined that there was no effect on the financial statements from the adoption of this authoritative guidance. The Fund does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months. The Fund files tax returns as prescribed by the tax laws of the jurisdictions in which they operate. In the normal course of business, the Funds are subject to examination by federal, state and local jurisdictions, where applicable. As of March 31, 2011, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations is from the year 2007 forward (with limited exceptions).

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 foreign 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.

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

G. Derivative financial instruments:
(\$ reported in thousands)

Disclosures on derivative instruments and hedging activities are intended to improve financial reporting for derivative instruments by enhanced disclosure that enables the 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. Summarized below are the specific types of derivative instruments used by the Fund.

Forward Currency Contracts: 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 in the Statement of Operations. When the contract is closed or offset with the same counterparty, on settlement date, 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. This is presented in the Statement of Operations as net realized gain (loss) from foreign currency transactions.

The Fund enters 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. The Fund also from time to time hedges the currency exposure of foreign denominated securities held in the portfolio, back to U.S. dollars during perceived times of U.S. dollar strength. This is done in order to protect U.S. dollar value of the portfolio. 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.

The following is a summary of the Fund's derivative instrument holdings categorized by primary risk exposure as of March 31, 2011:

	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Foreign exchange contracts	Unrealized appreciation on forward currency contracts	\$344	Unrealized depreciation on forward currency contracts	\$9,430

For the period ended March 31, 2011, the Fund's average volume of derivative activities is as follows:

Forward Currency Contracts – Purchased⁽¹⁾	Forward Currency Contracts – Sold⁽²⁾
\$252,116	\$(368,552)

⁽¹⁾ Value at Settlement Date Payable.

⁽²⁾ Value at Settlement Date Receivable.

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

	Realized Gain (Loss) on Derivatives Recognized in Results from Operations
Foreign exchange contracts ⁽¹⁾	\$(12,611)
	Change in Unrealized Appreciation (Depreciation) on Derivatives Recognized in Results from Operations
Foreign exchange contracts ⁽²⁾	\$ (2,860)

⁽¹⁾ Located within Net realized gain (loss) on foreign currency transactions on the Statement of Operations.

⁽²⁾ Located within Net change in unrealized appreciation (depreciation) on foreign currency translation on the Statement of Operations.

H. Securities lending (\$ reported in thousands):

The Fund may loan securities to qualified brokers through an agreement with The Bank of New York Mellon (“BNY Mellon”). 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 BNY Mellon for its services as securities lending agent and 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, 2011, the Fund had securities on loan with a market value of \$78,303 and received cash collateral of \$81,396.

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

A. Adviser:

Virtus Investment Advisers, Inc. (“VIA,” the “Adviser”), an indirect, wholly-owned subsidiary of Virtus Investment Partners, Inc. (“Virtus”), is the Adviser to the Fund.

For managing, or directing the management of, the investments of 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: 0.85% of 1st \$2 billion; 0.80% \$2+ billion through \$4 billion; and 0.75% \$4+ billion.

The Adviser manages the Fund’s investment program and general operations of the Fund, including oversight of the Fund’s subadviser.

B. Subadviser:

The subadviser manages the investments of the Fund for which it is paid a fee by the Adviser. Vontobel Asset Management, Inc. (“Vontobel”) serves as the Fund’s subadviser.

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

C. Expense Recapture:

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 end of the fiscal year shown below:

2011	Total
\$341	\$341

D. Distributor:

As the distributor of the Fund's shares, VP Distributors, Inc. ("VP Distributors"), an indirect wholly-owned subsidiary of Virtus, has advised the Fund that for the six months (the "period") ended March 31, 2011, it retained Class A net commissions of \$9 and Class C deferred sales charges of \$1.

In addition, the Fund pays VP Distributors distribution and/or service fees under Board-approved 12b-1 and shareholder service plans, at the annual rate of 0.25% for Class A shares, and 1.00% for Class C shares applied to the average daily net assets of each respective class. Class I shares are not subject to a 12b-1 plan.

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 CDSC, the CDSC schedule of the original shares purchased continues to apply.

E. Administration and Transfer Agent Services:

VP Distributors serves as the Administrator to the Fund. For the period ended March 31, 2011, VP Distributors received administration fees totaling \$575 which are included in the Statement of Operations. A portion of these fees is paid to outside entities that also provide services to the Fund.

VP Distributors also serves as the Trust's transfer agent. For the period ended March 31, 2011, VP Distributors received transfer agent fees totaling \$828 which are included in the Statement of Operations. A portion of these fees is paid to outside entities that also provide services to the Fund.

F. Affiliated Shareholders:

At March 31, 2011, Virtus, its affiliates, Bank of Montreal (a minority investor in Virtus) and its affiliates, and the retirement plans of Virtus and its affiliates, held shares of the Fund which may be redeemed at any time that aggregated the following:

	Aggregate Shares	Net Asset Value
Class A shares	5,742	\$ 131
Class I shares	756,160	17,248

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

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, 2011, were as follows:

<u>Purchases</u>	<u>Sales</u>
\$201,637	\$284,936

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

5. 10% Shareholders

As of March 31, 2011, 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 shareholder is not affiliated with Virtus.

<u>% of Shares Outstanding</u>	<u>Number of Accounts</u>
29%	1

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, 2011, the Fund held securities issued by various companies in the consumer staples sector, representing 42% 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.

VIRTUS FOREIGN OPPORTUNITIES FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2011 (Unaudited)

8. Federal Income Tax Information
(\$ reported in thousands)

At March 31, 2011, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Fund were as follows:

<u>Federal Tax Cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
\$935,819	\$307,876	\$(3,497)	\$304,379

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

<u>Expiration Year</u>		
<u>2017</u>	<u>2018</u>	<u>Total</u>
\$153,055	\$224,240	\$377,295

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. The Fund's capital loss carryover may include losses acquired in connection with prior year mergers. Utilization of these capital loss carryovers is subject to annual limitations.

9. Recent Accounting Pronouncement

In January 2010, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2010-06, "Improving Disclosures about Fair Value Measurements." ASU No. 2010-06 will require reporting entities to make new disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2010. At this time, management is evaluating the implications of ASU No. 2010-06 and its impact on the financial statements has not been determined.

10. Subsequent Event Evaluations

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were available for issuance, and has determined that the following subsequent event requires recognition or disclosure in the financial statements.

Effective April 18, 2011, BNY Mellon Investment Servicing (US), Inc. became sub-transfer agent for the Virtus Mutual Funds, replacing the prior sub-transfer agent.

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”), is 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 17-18, 2010, the Board, including a majority of the Trustees who are not interested persons as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, 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 Funds¹ 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 for 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 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 Funds within the same class 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.

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 Alternatives Diversifier Fund and Virtus CA Tax-Exempt Bond Fund, each of which is a 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.

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

With respect to the sub-advisory Agreements, the Board noted that each full-service subadviser² 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. 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.

² F-Squared Investments, Inc. is the subadviser to Virtus AlphaSectorSM Rotation Fund but provides limited services in this role. The Board considered both the VIA Agreement and the applicable sub-advisory Agreement in this context. (F-Squared Institutional Advisors, LLC provides limited services as the subadviser to Virtus Premium AlphaSectorSM Fund, Virtus Allocator Premium AlphaSectorSM Fund and Virtus Global Premium AlphaSectorSM Fund, but because those Funds are new, the Board did not consider their Agreements at the same time as the other Agreements.)

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

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 subadvisor, 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. With respect to Virtus Alternatives Diversifier Fund, the Board also noted that as part of the contract renewal process VIA had agreed to eliminate its management fee. 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, and in connection with the contract renewal process VIA had agreed to institute such an arrangement with respect to Virtus High Yield Fund. 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 subadvisor level.

VIRTUS OPPORTUNITIES TRUST

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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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