



Annual  
Report

## Virtus Real Estate Securities Fund

TRUST NAME:  
VIRTUS  
OPPORTUNITIES  
TRUST

September 30, 2011



**No Bank Guarantee**

**Not FDIC Insured**

**May Lose Value**

# Table of Contents

## Virtus Real Estate Securities Fund

(“Real Estate Securities Fund”)

Message to Shareholders . . . . .	1
Disclosure of Fund Expenses . . . . .	2
Fund Summary . . . . .	4
Schedule of Investments . . . . .	8
Statement of Assets and Liabilities . . . . .	10
Statement of Operations . . . . .	11
Statement of Changes in Net Assets . . . . .	12
Financial Highlights . . . . .	13
Notes to Financial Statements . . . . .	15
Report of Independent Registered Public Accounting Firm . . .	22
Tax Information Notice . . . . .	23
Fund Management Tables . . . . .	24

### *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 Trustees of the Trust (“Trustees,” the “Board”). 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 (“SEC”) website at <http://www.sec.gov>.

### *FORM N-Q INFORMATION*

The Trust files a complete schedule of portfolio holdings for the fund with 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 Real Estate Securities Fund unless preceded or accompanied by an effective prospectus which includes information concerning the sales charge, each Fund’s record and other pertinent information.

## MESSAGE TO SHAREHOLDERS

Dear Fellow Shareholders of Virtus Mutual Funds:



It was the tale of two vastly different financial markets for the year ended September 30, 2011. The financial markets were relatively strong in the fourth quarter of 2010, supported by the Federal Reserve's "QE2" bond purchase program, which gave investors the confidence to invest in equities and other riskier assets. Shortly before QE2 ended in June 2011, however, a stream of negative economic data, along with the mounting debt troubles of Europe and the U.S., undermined most of the year's earlier gains, and the markets retreated.

Investors faced these economic factors during the past year:

- U.S. gross domestic product ("GDP"), a key measure of economic growth, shrank to an annual rate of 1.3 percent, far below its historical average of 3.28 percent;
- U.S. manufacturing activity, which had been expanding since the recession ended in June 2009, weakened;
- The nation's unemployment rate remained above 9 percent, hitting a high of 9.2 percent in July;
- A sovereign debt crisis engulfed several European nations;
- Many U.S. corporations reported positive earnings throughout the period, but their general reluctance to invest in capital spending and new hiring caused investors concerns about a continued economic slowdown.

U.S. equities, as measured by the S&P 500® Index, gained only 1.14 percent for the period from October 1, 2010 to September 30, 2011, while international equities, represented by the MSCI EAFE® Index, lost 8.9 percent. In contrast, fixed income markets realized positive performance, and the Barclays Capital U.S. Aggregate Bond Index, a metric of taxable bond returns, rose 5.3 percent. At the same time, investor skittishness fueled demand for the relative safety of U.S. bonds, pushing the yield on the 10-year Treasury to fall below 2 percent in August 2011 for the first time ever.

While the market turbulence will eventually end, it is a good reminder of the importance of portfolio diversification. Diversification cannot guarantee a profit or prevent loss; however, owning a mix of asset classes can help cushion your portfolio against market volatility. Your adviser can help you ensure your portfolio is adequately diversified. You may also want to visit our website, [www.virtus.com](http://www.virtus.com), to learn about the full range of Virtus mutual funds, including new investment strategies that may be used to diversify a core portfolio.

Thank you for investing with Virtus. Our experienced investment teams remain committed to your long-term financial success.

Sincerely,



George R. Aylward  
President, Virtus Mutual Funds

October 2011

*Whenever you have questions about your account, or require additional information, please visit us on the Web at <http://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 REAL ESTATE SECURITIES FUND

## Disclosure of Fund Expenses (Unaudited)

For the six-month period of April 1, 2011 to September 30, 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 Real Estate Securities 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 B and 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 line, 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 in the first section under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this 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 line 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 investments and timing of any purchases or redemptions.

**VIRTUS REAL ESTATE SECURITIES FUND**  
**Disclosure of Fund Expenses (Unaudited) (Continued)**  
**For the six-month period of April 1, 2011 to September 30, 2011**

**Expense Table**

	Beginning Account Value April 1, 2011	Ending Account Value September 30, 2011	Annualized Expense Ratio	Expenses Paid During Period*
<b>Actual</b>				
Class A	\$1,000.00	\$ 882.50	1.43%	\$ 6.75
Class B	1,000.00	879.20	2.18	10.27
Class C	1,000.00	879.20	2.18	10.27
Class I	1,000.00	883.60	1.18	5.57
<b>Hypothetical (5% return before expenses)</b>				
Class A	1,000.00	1,017.81	1.43	7.26
Class B	1,000.00	1,014.00	2.18	11.07
Class C	1,000.00	1,014.00	2.18	11.07
Class I	1,000.00	1,019.08	1.18	5.99

\* Expenses are equal to the Fund's annualized expense ratio, which is net of waived fees and reimbursed expenses, if applicable, multiplied by the average account value over the period, multiplied by the number of days (183) expenses were accrued in the most recent fiscal half-year, then divided by 365 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 REAL ESTATE SECURITIES FUND

**Ticker Symbols:**  
Class A: PHRAX  
Class B: PHRBX  
Class C: PHRCX  
Class I: PHRIX

- **Real Estate Securities Fund** (the “Fund”) is non-diversified and has an investment objective of capital appreciation and income with approximately equal emphasis. *There is no guarantee that the Fund will achieve its objective.*
- For the fiscal year ended September 30, 2011, the Fund’s Class A shares at NAV returned 0.82%, Class B shares returned 0.03%, Class C shares returned 0.08% and Class I shares returned 1.08%. For the same period, the S&P 500® Index, a broad-based equity index, returned 1.14%, and the FTSE NAREIT Equity REITs Index, the Fund’s style-specific index appropriate for comparison, returned 0.98%.

***All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above.***

### **How did the market perform during the Fund’s fiscal year?**

- Through the first 10 months of the fiscal period, market performance was decidedly positive, with major equity and real estate market indices showing positive total returns. During this period, markets were able to digest slower than expected global economic growth due to unforeseen forces such as the earthquake and tsunami in Japan in March 2011 and other macro headwinds. However, the market environment during the last two months of the fiscal year became significantly more challenging as market sentiment turned nearly as negative as was experienced at the height of the 2008/2009 financial crisis. This turn in sentiment began during the contentious U.S. debt ceiling negotiations that took place in late July, grew post the U.S. sovereign debt downgrade by Standard & Poor’s in early August and reached alarming levels during September as the European sovereign debt crisis continued to rage on. In conjunction with this turn in market sentiment, consensus

forecasts for second half 2011 and 2012 global economic growth were reset at lower levels, which also contributed to the negative market environment as these lower forecasts filtered into lower expectations for future corporate profits as well.

- Interestingly, many real-time economic indicators, and conversations with global real estate executives during the third quarter of 2011, were not nearly as negative as the prevailing market sentiment. Company executives we met with during the quarter found it challenging to reconcile what was transpiring in the stock market with their on-the-ground business conditions. However, as the stock market serves as a mechanism for discounting future business conditions, it may only be a matter of time before business conditions fall in line with market sentiment or its recent pullback is proven to be an opportunity. Nonetheless, market sentiment can be fickle and thus will be highly data and event dependent over the balance of 2011. Should we experience a pick-up in global economic indicators or some path to resolving the European sovereign debt crisis, market sentiment will reverse accordingly.

### **What factors affected the Fund’s performance during its fiscal year?**

- For the period ended September 30, 2011, the Fund’s performance net of fees approximated its style-specific benchmark. Both allocation and security selection had positive contributions.
- The most significant individual positive contributor to relative performance during the fiscal year was security selection within and allocation to regional malls as our higher quality focus performed better. Allocation and selection to self storage, also favoring higher quality, was our next most positive contributor. Security selection and allocation to office was the third most positive contributor followed by security selection within health care as an overweight holding was acquired. The most significant detractor from relative

For information regarding the indexes and certain investment terms, see the Key Investment Terms on page 5.

## VIRTUS REAL ESTATE SECURITIES FUND (Continued)

performance during the fiscal year was stock selection within apartments, partially offset by allocation, and security selection within specialty.

- Going forward, we expect cash flow growth to play a more meaningful role in driving total returns as internal growth prospects (i.e., occupancy and rents) continue to accelerate against a backdrop of fairly limited new supply, and companies remain active with external growth initiatives. Share buybacks, on a leverage-neutral basis, seem attractive, versus acquisitions, for a number of companies. Dividend growth should be supported by the acceleration in cash flow growth, recapitalized balance sheets, and low historical dividend payout ratios. A favorable supply outlook will allow landlords to increase occupancy and achieve pricing power at a faster rate than they otherwise would in a recovery.

*The preceding information is the opinion of portfolio management. Any such opinions are subject to change at any time based upon market or other conditions and should not be relied upon as investment advice. Past performance is no guarantee of future results, and there is no guarantee that market forecasts will be realized.*

*There is no guarantee that the Fund will meet its objective.*

*Concentrating investments in REITs involves certain risks such as refinancing, property value changes and management skill.*

*Investing in the securities of small and mid-sized companies involves greater risks and price volatility than larger, more established companies. A non-diversified fund may be more susceptible to any single economic, political or regulatory event affecting an issuer than a diversified fund.*

### Asset Allocations

The following table presents asset allocations within certain sectors as a percentage of total investments at September 30, 2011.

Apartments	20%
Regional Malls	18
Office	12
Health Care	11
Self Storage	9
Shopping Centers	7
Lodging/Resorts	6
Other (includes short-term investments)	<u>17</u>
Total	<u><u>100%</u></u>

## VIRTUS REAL ESTATE SECURITIES FUND (Continued)

### KEY INVESTMENT TERMS

#### ***American Depositary Receipt (ADR)***

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

#### ***Barclays Capital U.S. Aggregate Bond Index***

The Barclays Capital U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total return basis.

#### ***Exchange-Traded Funds (ETF)***

Portfolios of stocks or bonds that track a specific market index.

#### ***FTSE NAREIT Equity REITs Index***

The FTSE NAREIT Equity REITs Index is a free-float market capitalization index measuring equity tax-qualified real estate investment trusts, which meet minimum size and liquidity criteria, that are listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market System. The index is calculated on a total return basis with dividends reinvested.

#### ***MSCI EAFE® Index***

The MSCI EAFE® (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that measures equity market performance of developed markets, excluding the U.S. and Canada. The index is calculated on a total return basis with gross dividends reinvested.

#### ***Quantitative Easing (QE2)***

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.

#### ***REIT (Real Estate Investment Trust)***

A publicly traded company that owns, develops and operates income-producing real estate such as apartments, office buildings, hotels, shopping centers and other commercial properties.

#### ***S&P 500® Index***

The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested.

## Average Annual Total Returns<sup>1</sup> for periods ended 9/30/11

	1 Year	5 Years	10 Years	Since Inception	Inception Date
<b>Class A Shares at NAV<sup>2</sup></b>	<b>0.82%</b>	<b>-2.37%</b>	<b>10.16%</b>	—	—
<b>Class A Shares at POP<sup>3,4</sup></b>	<b>-4.98</b>	<b>-3.52</b>	<b>9.51</b>	—	—
<b>Class B Shares at NAV<sup>2</sup></b>	<b>0.03</b>	<b>-3.11</b>	<b>9.33</b>	—	—
<b>Class B Shares with CDSC<sup>4</sup></b>	<b>-3.96</b>	<b>-3.11</b>	<b>9.33</b>	—	—
<b>Class C Shares at NAV<sup>2</sup> and with CDSC<sup>4</sup></b>	<b>0.08</b>	<b>-3.10</b>	—	<b>7.80%</b>	<b>7/25/03</b>
<b>Class I Shares at NAV</b>	<b>1.08</b>	—	—	<b>-4.11</b>	<b>12/29/06</b>
<b>S&amp;P 500<sup>®</sup> Index</b>	<b>1.14</b>	<b>-1.18</b>	<b>2.82</b>	— <sup>5</sup>	— <sup>5</sup>
<b>FTSE NAREIT Equity REITs Index</b>	<b>0.98</b>	<b>-2.42</b>	<b>9.18</b>	— <sup>6</sup>	— <sup>6</sup>

**Fund Expense Ratios<sup>7</sup>: A Shares: 1.48%, B Shares: 2.23%, C Shares: 2.23%, I Shares: 1.23%.**

All returns represent past performance which is no guarantee of future results. Current performance may be higher or lower than the performance shown. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The above table and graph below do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. Please visit [Virtus.com](http://Virtus.com) for performance data current to the most recent month-end.

<sup>1</sup> Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gains distributions.

<sup>2</sup> "NAV" (Net Asset Value) total returns do not include the effect of any sales charge.

<sup>3</sup> "POP" (Public Offering Price) total returns include the effect of the maximum front-end 5.75% sales charge.

<sup>4</sup> CDSC (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for Class B shares decline from 5% to 0% over a five year period. CDSC charges for certain redemptions of Class A shares and all redemptions of Class C shares are 1% within the first year and 0% thereafter.

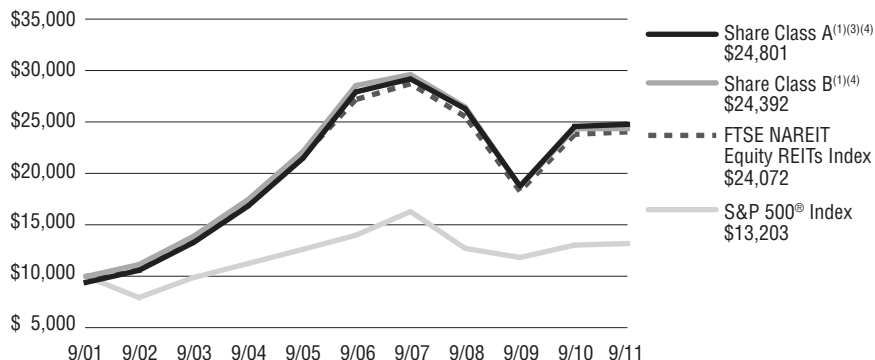
<sup>5</sup> Index performance is 3.59% for Class C (since 7/25/03) and -2.58% for Class I (since 12/29/06).

<sup>6</sup> Index performance is 7.76% for Class C (since 7/25/03) and -4.38% for Class I (since 12/29/06).

<sup>7</sup> The expense ratios of the Fund are set forth according to the prospectus for the Fund effective January 31, 2011, and as supplemented and revised and may differ from the expense ratios disclosed in the Financial Highlights tables in this report. See the financial highlights for more current expense ratios.

## Growth of \$10,000 for periods ended 9/30

This chart assumes an initial investment of \$10,000 made on September 30, 2001, for Class A and Class B shares including any applicable sales charges or fees. Performance assumes reinvestment of dividends and capital gain distributions.



The indexes are unmanaged and not available for direct investment; therefore, their performance does not reflect the expenses associated with active management of an actual portfolio.

**VIRTUS REAL ESTATE SECURITIES FUND**  
**SCHEDULE OF INVESTMENTS**  
**SEPTEMBER 30, 2011**

(\$ reported in thousands)

	SHARES	VALUE		SHARES	VALUE
<b>COMMON STOCKS—98.8%</b>			<b>RESIDENTIAL—22.5%</b>		
<b>REAL ESTATE INVESTMENT TRUSTS—98.8%</b>			<b>Apartments—20.0%</b>		
<b>DIVERSIFIED—6.3%</b>			Apartment Investment & Management Co.		
Digital Realty Trust, Inc.	260,569	\$ 14,373	Class A	972,357	\$ 21,509
Vornado Realty Trust	638,967	47,680	AvalonBay Communities, Inc.	335,656	38,282
<b>Total Diversified</b>		<b>62,053</b>	BRE Properties, Inc.	336,703	14,256
<b>HEALTH CARE—10.9%</b>			Camden Property Trust	418,000	23,099
HCP, Inc.	825,471	28,941	Campus Crest Communities, Inc.	190,366	2,071
Health Care REIT, Inc.	372,029	17,411	Equity Residential	1,092,679	56,677
Ventas, Inc.	1,225,681	60,549	Essex Property Trust, Inc.	164,482	19,744
<b>Total Health Care</b>		<b>106,901</b>	UDR, Inc.	927,205	20,528
<b>INDUSTRIAL/OFFICE—19.3%</b>					<u>196,166</u>
<b>Industrial—4.5%</b>			<b>Manufactured Homes—2.5%</b>		
Prologis, Inc.	1,822,645	44,199	Equity Lifestyle Properties, Inc.		
<b>Mixed—2.3%</b>				392,964	24,639
Duke Realty Corp.	2,071,391	21,749	<b>Total Residential</b>		<b>220,805</b>
<b>Office—12.5%</b>			<b>RETAIL—24.7%</b>		
Alexandria Real Estate Equities, Inc.	152,375	9,354	<b>Regional Malls—17.9%</b>		
BioMed Realty Trust, Inc.	866,881	14,364	General Growth Properties, Inc.		
Boston Properties, Inc.	542,183	48,309		1,390,975	16,831
Kilroy Realty Corp.	954,737	29,883	Macerich Co. (The)	347,675	14,822
SL Green Realty Corp.	356,291	20,719	Simon Property Group, Inc.	1,070,406	117,723
		122,629	Taubman Centers, Inc.	507,680	25,541
<b>Total Industrial/Office</b>		<b>188,577</b>			<u>174,917</u>
<b>LODGING/RESORTS—6.3%</b>			<b>Shopping Centers—6.8%</b>		
Host Hotels & Resorts, Inc.	3,121,652	34,151	DDR Corp.		
LaSalle Hotel Properties	994,211	19,089		1,260,917	13,744
Starwood Hotels & Resorts Worldwide, Inc.	208,760	8,104	Kimco Realty Corp.	1,449,875	21,792
<b>Total Lodging/Resorts</b>		<b>61,344</b>	Regency Centers Corp.	421,040	14,875
			Weingarten Realty Investors	781,100	16,536
					<u>66,947</u>
			<b>Total Retail</b>		<b>241,864</b>

See Notes to Financial Statements

**VIRTUS REAL ESTATE SECURITIES FUND**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**SEPTEMBER 30, 2011**

(\$ reported in thousands)

	<u>SHARES</u>	<u>VALUE</u>
<b>SELF STORAGE—8.8%</b>		
Extra Space Storage, Inc.	1,536,702	\$ 28,628
Public Storage	516,091	57,466
<b>Total Self Storage</b>		<b>86,094</b>
<b>TOTAL COMMON STOCKS</b>		
<b>(Identified Cost \$726,656)</b>		<b>967,638</b>
<b>TOTAL LONG-TERM INVESTMENTS—98.8%</b>		
<b>(Identified Cost \$726,656)</b>		<b>967,638</b>
<b>SHORT-TERM INVESTMENTS—1.3%</b>		
<b>Money Market Mutual Funds—1.3%</b>		
BlackRock Liquidity Funds		
TempFund Portfolio – Institutional Shares (seven-day effective yield 0.090%)	13,028,187	13,028
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>13,028</b>
<b>(Identified Cost \$13,028)</b>		<b>13,028</b>
<b>TOTAL INVESTMENTS—100.1%</b>		
<b>(Identified Cost \$739,684)</b>		<b>980,666<sup>(1)</sup></b>
Other assets and liabilities, net—(0.1)%		(1,220)
<b>NET ASSETS—100.0%</b>		<b><u><u>\$979,446</u></u></b>

The following table provides a summary of inputs used to value the Fund's investments as of September 30, 2011 (see Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at September 30, 2011	Level 1 – Quoted Prices
<b>Investment in Securities:</b>		
Common Stocks:		
Real Estate Investment Trusts	\$ 967,638	\$967,638
Short-Term Investments	<u>13,028</u>	<u>13,028</u>
Total Investments	<u><u>\$ 980,666</u></u>	<u><u>\$980,666</u></u>

There are no Level 2 (significant observable inputs) or Level 3 (significant unobservable inputs) priced securities.

**Abbreviation:**

REIT Real Estate Investment Trust

**FOOTNOTE LEGEND**

<sup>(1)</sup> Federal Income Tax Information: For tax information at September 30, 2011, see Note 8, Federal Income Tax Information in the Notes to Financial Statements.

See Notes to Financial Statements

**VIRTUS REAL ESTATE SECURITIES FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**SEPTEMBER 30, 2011**

(Reported in thousands except shares and per share amounts)

**Assets**

Investment in securities at value <sup>(1)</sup> .....	\$ 980,666
Receivables	
Fund shares sold .....	1,281
Dividends and interest receivable .....	2,400
Prepaid expenses .....	82
	<hr/>
Total assets .....	984,429

**Liabilities**

Cash overdraft .....	28
Payables	
Fund shares repurchased .....	1,062
Investment securities purchased .....	2,077
Investment advisory fee .....	651
Distribution and service fees .....	183
Administration fee .....	118
Transfer agent fees and expenses .....	746
Trustees' fee and expenses .....	7
Professional fee .....	29
Other accrued expenses .....	82
	<hr/>
Total liabilities .....	4,983

**Net Assets** .....

	<hr/> <b>\$ 979,446</b> <hr/>
--	-------------------------------

**Net Assets Consist of:**

Capital paid in on shares of beneficial interest .....	\$ 838,954
Accumulated undistributed net realized gain (loss) .....	(100,490)
Net unrealized appreciation (depreciation) on investments .....	240,982
	<hr/>

**Net Assets** .....

	<hr/> <b>\$ 979,446</b> <hr/>
--	-------------------------------

**Class A**

Net asset value (net assets/shares outstanding) per share .....	\$ 26.05
Maximum offering price per share NAV/(1-5.75%) .....	\$ 27.64
Shares of beneficial interest outstanding, no par value, unlimited authorization .....	23,225,715
Net Assets .....	\$ 605,073

**Class B**

Net asset value (net assets/shares outstanding) and offering price per share .....	\$ 25.71
Shares of beneficial interest outstanding, no par value, unlimited authorization .....	368,047
Net Assets .....	\$ 9,461

**Class C**

Net asset value (net assets/shares outstanding) and offering price per share .....	\$ 26.02
Shares of beneficial interest outstanding, no par value, unlimited authorization .....	1,723,835
Net Assets .....	\$ 44,853

**Class I**

Net asset value (net assets/shares outstanding) and offering price per share .....	\$ 26.03
Shares of beneficial interest outstanding, no par value, unlimited authorization .....	12,295,207
Net Assets .....	\$ 320,059

<sup>(1)</sup> Investment in securities at cost .....

	\$ 739,684
--	------------

See Notes to Financial Statements

**VIRTUS REAL ESTATE SECURITIES FUND**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED SEPTEMBER 30, 2011**

(\$ reported in thousands)

**Investment Income**

Dividends .....	\$ 19,795
Total investment income .....	<u>19,795</u>

**Expenses**

Investment advisory fees .....	7,968
Service fees, Class A .....	1,626
Distribution and service fees, Class B .....	142
Distribution and service fees, Class C .....	506
Administration fees .....	1,468
Transfer agent fee and expenses .....	2,943
Custodian fees .....	23
Printing fees and expenses .....	151
Professional fees .....	34
Registration fees .....	129
Trustees' fee and expenses .....	75
Miscellaneous expenses .....	<u>91</u>
Total expenses .....	<u>15,156</u>

**Net investment income (loss) .....** **4,639**

**Net Realized and Unrealized Gain (Loss) on Investments**

Net realized gain (loss) on investments .....	86,780
Net change in unrealized appreciation (depreciation) on investments .....	<u>(86,995)</u>

**Net gain (loss) on investments .....** **(215)**

**Net increase (decrease) in net assets resulting from operations .....** **\$ 4,424**

See Notes to Financial Statements

# VIRTUS REAL ESTATE SECURITIES FUND

## STATEMENT OF CHANGES IN NET ASSETS

(Reported in thousands)

	Year Ended September 30, 2011	Year Ended September 30, 2010
<b>INCREASE/DECREASE IN NET ASSETS</b>		
<b>From Operations</b>		
Net investment income (loss) .....	\$ 4,639	\$ 12,507
Net realized gain (loss) .....	86,780	39,494
Net change in unrealized appreciation (depreciation) .....	(86,995)	185,836
<b>Increase (decrease) in net assets resulting from operations</b> .....	<b>4,424</b>	<b>237,837</b>
<b>From Distributions to Shareholders</b>		
Net investment income, Class A .....	(6,346)	(7,668)
Net investment income, Class B .....	(36)	(121)
Net investment income, Class C .....	(116)	(311)
Net investment income, Class I .....	(4,332)	(4,625)
<b>Decrease in net assets from distributions to shareholders</b> .....	<b>(10,830)</b>	<b>(12,725)</b>
<b>From Share Transactions</b>		
<b>Sale of shares</b>		
Class A (9,066 and 8,024 shares, respectively) .....	262,684	189,394
Class B (3 and 5 shares, respectively) .....	73	112
Class C (337 and 261 shares, respectively) .....	9,724	6,044
Class I (3,803 and 5,484 shares, respectively) .....	110,554	117,414
<b>Reinvestment of distributions</b>		
Class A (203 and 283 shares, respectively) .....	5,688	6,776
Class B (1 and 4 shares, respectively) .....	29	99
Class C (3 and 11 shares, respectively) .....	92	252
Class I (134 and 171 shares, respectively) .....	3,757	4,098
<b>Shares repurchased</b>		
Class A (8,140 and 13,553 shares, respectively) .....	(234,816)	(305,363)
Class B (280 and 249 shares, respectively) .....	(8,006)	(5,597)
Class C (409 and 550 shares, respectively) .....	(11,766)	(12,723)
Class I (3,402 and 4,122 shares, respectively) .....	(98,978)	(97,259)
<b>Increase (decrease) in net assets from share transactions</b> .....	<b>39,035</b>	<b>(96,753)</b>
<b>Net increase (decrease) in net assets</b> .....	<b>32,629</b>	<b>128,359</b>
<b>Net Assets</b>		
Beginning of year .....	946,817	818,458
<b>End of year</b> .....	<b>\$979,446</b>	<b>\$946,817</b>
Accumulated undistributed net investment income (loss) at end of year .....	\$ —	\$ 23

See Notes to Financial Statements

**VIRTUS REAL ESTATE SECURITIES 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) <sup>(2)</sup>	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 <sup>(1)</sup>	Net Assets, End of Period (000's)	Ratio of Net Expenses to Average Net Assets <sup>(7)</sup>	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) <sup>(7)</sup>	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
<b>Class A</b>															
10/1/10 to 9/30/11	\$26.10	0.11	0.12	0.23	(0.28)	—	(0.28)	(0.05)	\$26.05	0.82%	\$ 605,073	1.46%	1.46%	0.39%	36%
10/1/09 to 9/30/10	20.21	0.32	5.90	6.22	(0.33)	—	(0.33)	5.89	26.10	30.93	576,760	1.48	1.48	1.39	35
10/1/08 to 9/30/09	29.19	0.47	(8.99)	(8.52)	(0.46)	—	(0.46)	(8.98)	20.21	(28.61)	552,518	1.59	1.59	2.88	48
10/1/07 to 9/30/08	34.10	0.45	(3.88)	(3.43)	(0.47)	(1.01)	(1.48)	(4.91)	29.19	(9.94)	862,062	1.37 <sup>(5)</sup>	1.45	1.51	32
12/1/06 to 9/30/07	38.18	0.32	(2.59)	(2.27)	(0.32)	(1.49)	(1.81)	(4.08)	34.10	(6.14) <sup>(4)</sup>	1,136,923	1.32 <sup>(3)</sup>	1.39 <sup>(3)</sup>	1.06 <sup>(3)</sup>	25 <sup>(4)</sup>
12/1/05 to 11/30/06	28.15	0.30	10.73	11.03	(0.37)	(0.63)	(1.00)	10.03	38.18	40.37	1,289,007	1.30	1.30	0.94	24
<b>Class B</b>															
10/1/10 to 9/30/11	\$25.76	(0.01)	0.03	0.02	(0.07)	—	(0.07)	(0.05)	\$25.71	0.03%	\$ 9,461	2.21%	2.21%	(0.05)%	36%
10/1/09 to 9/30/10	19.95	0.16	5.81	5.97	(0.16)	—	(0.16)	5.81	25.76	30.01	16,595	2.23	2.23	0.70	35
10/1/08 to 9/30/09	28.85	0.35	(8.91)	(8.56)	(0.34)	—	(0.34)	(8.90)	19.95	(29.20)	17,648	2.34	2.34	2.16	48
10/1/07 to 9/30/08	33.72	0.22	(3.83)	(3.61)	(0.25)	(1.01)	(1.26)	(4.87)	28.85	(10.65)	35,376	2.12 <sup>(5)</sup>	2.20	0.76	32
12/1/06 to 9/30/07	37.74	0.10	(2.56)	(2.46)	(0.07)	(1.49)	(1.56)	(4.02)	33.72	(6.72) <sup>(4)</sup>	49,964	2.07 <sup>(3)</sup>	2.13 <sup>(3)</sup>	0.32 <sup>(3)</sup>	25 <sup>(4)</sup>
12/1/05 to 11/30/06	27.86	0.07	10.59	10.66	(0.15)	(0.63)	(0.78)	9.88	37.74	39.29	71,240	2.05	2.05	0.24	24
<b>Class C</b>															
10/1/10 to 9/30/11	\$26.06	(0.09)	0.12	0.03	(0.07)	—	(0.07)	(0.04)	\$26.02	0.08%	\$ 44,853	2.21%	2.21%	(0.30)%	36%
10/1/09 to 9/30/10	20.19	0.15	5.88	6.03	(0.16)	—	(0.16)	5.87	26.06	29.95	46,722	2.23	2.23	0.65	35
10/1/08 to 9/30/09	29.17	0.35	(8.99)	(8.64)	(0.34)	—	(0.34)	(8.98)	20.19	(29.17)	41,818	2.34	2.34	2.12	48
10/1/07 to 9/30/08	34.07	0.23	(3.88)	(3.65)	(0.24)	(1.01)	(1.25)	(4.90)	29.17	(10.63)	71,278	2.12 <sup>(5)</sup>	2.20	0.76	32
12/1/06 to 9/30/07	38.11	0.10	(2.59)	(2.49)	(0.06)	(1.49)	(1.55)	(4.04)	34.07	(6.71) <sup>(4)</sup>	100,321	2.07 <sup>(3)</sup>	2.14 <sup>(3)</sup>	0.32 <sup>(3)</sup>	25 <sup>(4)</sup>
12/1/05 to 11/30/06	28.12	0.06	10.71	10.77	(0.15)	(0.63)	(0.78)	9.99	38.11	39.32	112,794	2.05	2.05	0.19	24

See Notes to Financial Statements

**VIRTUS REAL ESTATE SECURITIES 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) <sup>(2)</sup>	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 <sup>(1)</sup>	Net Assets, End of Period (000's)	Ratio of Net Expenses to Average Net Assets <sup>(7)</sup>	Ratio of Gross Expenses to Average Net Assets (before waivers and reimbursements) <sup>(7)</sup>	Ratio of Net Investment Income (Loss) to Average Net Assets	Portfolio Turnover Rate
<b>Class I</b>															
10/1/10 to 9/30/11	\$26.08	0.19	0.12	0.31	(0.36)	—	(0.36)	(0.05)	\$26.03	1.08%	\$ 320,059	1.21%	1.21%	0.65%	36%
10/1/09 to 9/30/10	20.19	0.38	5.90	6.28	(0.39)	—	(0.39)	5.89	26.08	31.27	306,740	1.23	1.23	1.63	35
10/1/08 to 9/30/09	29.17	0.49	(8.97)	(8.48)	(0.50)	—	(0.50)	(8.98)	20.19	(28.45)	206,474	1.32	1.32	3.00	48
10/1/07 to 9/30/08	34.08	0.62	(3.98)	(3.36)	(0.54)	(1.01)	(1.55)	(4.91)	29.17	(9.71)	106,159	1.12 <sup>(5)</sup>	1.20	2.11	32
12/29/06 <sup>(6)</sup> to 9/30/07	35.99	0.28	(1.87)	(1.59)	(0.31)	(0.01)	(0.32)	(1.91)	34.08	(4.44) <sup>(4)</sup>	32,887	1.11 <sup>(3)</sup>	1.23 <sup>(3)</sup>	1.09 <sup>(3)</sup>	25 <sup>(4)</sup>

<sup>(1)</sup> Sales charges, where applicable, are not reflected in the total return calculation.

<sup>(2)</sup> Computed using average shares outstanding.

<sup>(3)</sup> Annualized.

<sup>(4)</sup> Not annualized.

<sup>(5)</sup> Blended net expense ratio.

<sup>(6)</sup> Inception date.

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

See Notes to Financial Statements

**VIRTUS REAL ESTATE SECURITIES FUND  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011**

**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 Real Estate Securities Fund (the "Fund") is reported in this annual report. The Fund's investment objective is outlined in the Fund Summary page.

The Fund offers Class A shares, Class C shares and Class I shares for sale. Class B shares are no longer available for purchase by new or existing shareholders, except by existing shareholders through Qualifying Transactions (for information regarding Qualifying Transactions, refer to the Trust's prospectus).

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 B shares were sold with a CDSC which declines from 5% to zero depending on the period of time the shares are held.

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 may 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/or 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.

All internally fair valued securities, referred to below, are approved by a valuation committee approved under the direction of the Board.

**VIRTUS REAL ESTATE SECURITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2011**

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 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 ADRs, financial futures, ETFs, 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

**VIRTUS REAL ESTATE SECURITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2011**

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.

Dividend income is recorded using management's estimate of the income included in distributions received from the REIT investments. Distributions received in excess of this estimated amount are recorded as a reduction of the cost of investments or reclassified to capital gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT after its fiscal year-end, and may differ from the estimated amounts.

**C. Income taxes:**

The Fund is treated as a separate taxable entity. It is the intent 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.

Management of the Fund has concluded that there are no significant uncertain tax positions which would require recognition in the financial statements. As of September 30, 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 used.

**VIRTUS REAL ESTATE SECURITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2011**

**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: 0.75% of 1st \$1 billion; 0.70% \$1+ billion through \$2 billion and 0.65% \$2+ billion.

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

**B. Subadviser:**

A subadviser manages the investments of the Fund for which it is paid a fee by the Adviser. Duff & Phelps Investment Management Co. ("Duff & Phelps") serves as the Fund's subadviser. Duff & Phelps is an indirect, wholly-owned subsidiary of Virtus.

**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 at the time the fees were waived.

**D. Distributor:**

VP Distributors, LLC ("VP Distributors"), an indirect wholly-owned subsidiary of Virtus, as the distributor of the Fund's shares, has advised the Fund that for the fiscal year (the "period") ended September 30, 2011, it retained Class A net commissions of \$61; Class B deferred sales charges of \$14; and Class C deferred sales charges of \$6.

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, 1.00% for Class B 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 September 30, 2011, VP Distributors received administration fees totaling \$1,065 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.

**VIRTUS REAL ESTATE SECURITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2011**

VP Distributors also serves as the Fund's transfer agent. For the period ended September 30, 2011, VP Distributors received transfer agent fees totaling \$2,663 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 September 30, 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:

	<b>Aggregate Shares</b>	<b>Net Asset Value</b>
Class I shares . . . . .	907,132	\$23,613

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

Purchases and sales of investment securities for the Fund (excluding U.S. Government securities or agency securities and short-term securities) during the period ended September 30, 2011, were as follows:

<b>Long-Term</b>	
<b>Purchases</b>	<b>Sales</b>
\$424,533	\$375,784

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

**5. 10% Shareholders**

As of September 30, 2011, the Fund had individual shareholder accounts and/or omnibus shareholder accounts (comprised of a group of individual shareholders), which in each case individually amounted to more than 10% of the total shares outstanding of the Fund as detailed below. The shareholders are not affiliated with Virtus.

	<b>% of Shares Outstanding</b>	<b>Number of Accounts</b>
Class A . . . . .	10%	1
Class I . . . . .	13	1

**6. Credit Risk and Asset Concentrations**

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.

**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 REAL ESTATE SECURITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2011**

**8. Federal Income Tax Information**

(\$ reported in thousands)

At September 30, 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>
\$779,482	\$224,592	\$(23,408)	\$201,184

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

<u>2018</u>	<u>Total</u>
\$60,693	\$60,693

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses recognized for tax years beginning after December 22, 2010 may be carried forward indefinitely, and their character is retained as short-term and/or long-term losses. Previously, net capital losses were carried forward for eight years and treated as short-term losses. As a transition rule, the Act requires that post-enactment net capital losses be used before pre-enactment net capital losses.

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 utilized \$81,185 in losses deferred in prior years against current year capital gains.

Under current tax law, foreign currency and capital losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended September 30, 2011, the Fund deferred capital loss of \$0 and recognized post-October capital losses of \$0.

The components of distributable earnings on a tax basis (excluding unrealized appreciation (depreciation) which is disclosed above) consist of undistributed ordinary income of \$0 and undistributed long-term capital gains of \$0.

The differences between the book and tax basis components of distributable earnings relate principally to the timing of recognition of income and gains for federal income tax purposes. Short-term gain distributions reported in the Statements of Changes in Net Assets, if any, are reported as ordinary income for federal tax purposes.

**VIRTUS REAL ESTATE SECURITIES FUND**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**SEPTEMBER 30, 2011**

**9. Reclassification of Capital Accounts**

(\$ reported in thousands)

For financial reporting purposes, book basis capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Permanent reclassifications can arise from differing treatment of certain income and gain transactions, nondeductible current year net operating losses, expiring capital loss carryovers and investments in passive foreign investment companies. The reclassifications have no impact on the net assets or net asset value of the Fund. As of September 30, 2011, the Fund recorded reclassifications to increase (decrease) the accounts as listed below:

<b>Capital Paid in shares of Beneficial Interest</b>	<b>Undistributed Net Investment Income (Loss)</b>	<b>Accumulated Net Realized Gain (Loss)</b>
\$(6,191)	\$6,168	\$23

**10. Recent Accounting Pronouncement**

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2011-04, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs." ASU No. 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU No. 2011-04 will require reporting entities to disclose quantitative information about the unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy. In addition, ASU No. 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers in and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU No. 2011-04 and its impact on the financial statements has not been determined.

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. ASU No. 2010-06 will be implemented effective with the start of the next reporting period.

**11. 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 November 7, 2011, securities lending was suspended on all Virtus Funds.



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of  
Virtus Opportunities Trust and Shareholders of  
Virtus Real Estate Securities Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Virtus Real Estate Securities Fund (the "Fund"), a series of Virtus Opportunities Trust, at September 30, 2011, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods indicated, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

Philadelphia, Pennsylvania  
November 22, 2011

**VIRTUS REAL ESTATE SECURITIES FUND  
TAX INFORMATION NOTICE  
SEPTEMBER 30, 2011 (Unaudited)**

For the fiscal year ended September 30, 2011, the Fund makes the following disclosures for federal income tax purposes. Below is listed the percentage, or the maximum amount allowable, of its ordinary income dividends ("QDI") to qualify for the lower tax rates applicable to individual shareholders, and the percentage of ordinary income dividends earned by the Fund which qualifies for the dividends received deduction ("DRD") for corporate shareholders. The actual percentage of QDI and DRD for the calendar year will be designated in year-end tax statements. The Fund designates the amount below, or if subsequently different, as long-term capital gains dividends ("LTCG") (\$ reported in thousands).

<u>QDI</u>	<u>DRD</u>	<u>LTCG</u>
0%	0%	\$0

## FUND MANAGEMENT TABLES (Unaudited)

Information pertaining to the Trustees and officers of the Trust as of September 30, 2011, is set forth below. The statement of additional information (SAI) includes additional information about the Trustees and is available without charge, upon request, by calling (800) 243-4361. The address of each individual, unless otherwise noted, is 100 Pearl Street, Hartford, CT 06103-4506. There is no stated term of office for Trustees of the Trust.

### Independent Trustees

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
<p>Leroy Keith, Jr. YOB: 1939 Served since 1996 45 Funds</p>	<p>Chairman, Bloc Global Services Group, LLC (construction and redevelopment company) (2010 to present). Managing Director, Almanac Capital Management (commodities business) (2007 to 2008). Partner, Stonington Partners, Inc. (private equity fund) (2001 to 2007). Director/Trustee, Wells Fargo Advantage Funds (f/k/a Evergreen Funds) (152 portfolios) (1989 to present). Director, Diversapak (soft packaging company) (2002 to present). Director, Obaji Medical Products (skin care company) (2003 to 2007).</p>
<p>Philip R. McLoughlin Chairman YOB: 1946 Served since 1996 58 Funds</p>	<p>Managing Director, SeaCap Asset Management Fund I, L.P. (2009 to present) and SeaCap Partners, LLC (investment management) (2009 to 2010). Partner, Cross Pond Partners, LLC (strategy consulting firm) (2006 to present). Chairman (2010 to present) and Director (1991 to present), World Trust Fund. Chairman and Trustee, Virtus Variable Insurance Trust (f/k/a The Phoenix Edge Series Fund) (9 portfolios) (2003 to present). Director, DTF Tax-Free Income Fund, Inc. and Duff &amp; Phelps Utility and Corporate Bond Trust, Inc. (1996 to present); DNP Select Income Fund Inc. (2009 to present); and Duff &amp; Phelps Global Utility Income Fund Inc. (2011 to present). Director, Argo Group International Holdings, Inc. and its predecessor, PXRE Corporation (insurance) (1986 to 2009).</p>
<p>Geraldine M. McNamara YOB: 1951 Served since 2001 49 Funds</p>	<p>Retired. Managing Director, U.S. Trust Company of New York (private bank) (1982 to 2006). Director, DTF Tax-Free Income Fund, Inc. and Duff &amp; Phelps Utility and Corporate Bond Trust, Inc. (2003 to present); DNP Select Income Fund Inc. (2009 to present); and Duff &amp; Phelps Global Utility Income Fund Inc. (2011 to present).</p>
<p>James M. Oates YOB: 1946 Served since 1996 45 Funds</p>	<p>Managing Director, Wydown Group (consulting firm) (1994 to present). Chairman and Trustee, John Hancock Trust (115 portfolios) and John Hancock Funds II (87 portfolios) (2005 to present). Director, Stifel Financial (1996 to present). Chairman, Connecticut River Bank (1999 to present). Director, Connecticut River Bancorp (1998 to present). Chairman, Emerson Investment Management, Inc. (2000 to present). Director, Trust Company of New Hampshire (2002 to present). Director, Beaumont Financial Partners, LLC (2000 to present). President of the Board (1999 to present) and Director (1985 to present), Middlesex School. Founder, Chairman (1997 to 2006) and Non-Executive Chairman (2007 to present), Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services). Director, Investors Bank and Trust Co. and Investors Financial Services Corporation (1995 to 2007). Trustee, John Hancock Funds III (2005 to 2006).</p>
<p>Richard E. Segerson YOB: 1946 Served since 1996 45 Funds</p>	<p>Managing Director, Northway Management Company (1998 to present).</p>
<p>Ferdinand L.J. Verdonck YOB: 1942 Served since 2006 45 Funds</p>	<p>Trustee, The J.P. Morgan Fleming Continental European Investment Trust (1998 to present). Director, Galapagos N.V. (biotechnology) (2005 to present). Mr. Verdonck is also a director of several non-U.S. companies.</p>

## FUND MANAGEMENT TABLES (Unaudited) (Continued)

### Interested Trustee

The individual listed below is an “interested person” of the Trust, as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
George R. Aylward <sup>(1)</sup> President YOB: 1964 Served since 2006 47 Funds	Director, President and Chief Executive Officer (2008 to present), Director and President (2006 to 2008), Chief Operating Officer (2004 to 2006), Virtus Investment Partners, Inc. and/or certain of its subsidiaries. Various senior officer positions with Virtus affiliates (2008 to present). Senior Executive Vice President and President, Asset Management (2007 to 2008), Senior Vice President and Chief Operating Officer, Asset Management (2004 to 2007), The Phoenix Companies, Inc. Various senior officer positions with Phoenix affiliates (2005 to 2008). President (2006 to present), Executive Vice President (2004 to 2006), the Virtus Mutual Funds Family. President, Virtus Variable Insurance Trust (f/k/a The Phoenix Edge Series Fund) (9 portfolios) (since 2010). Chairman, President and Chief Executive Officer, The Zweig Fund, Inc. and Zweig Total Return Fund, Inc. (2006 to present).

<sup>(1)</sup> Mr. Aylward is an “interested person,” as defined in the 1940 Act, by reason of his position as President and Chief Executive Officer of Virtus Investment Partners, Inc. (“Virtus”), the ultimate parent company of the Adviser, and various positions with its affiliates including the Adviser.

## FUND MANAGEMENT TABLES (Unaudited) (Continued)

### Officers of the Trust Who Are Not Trustees

Name, Address and Year of Birth	Position(s) Held with Trust and Length of Time Served	Principal Occupation(s) During Past 5 Years
Francis G. Waltman YOB: 1962	Senior Vice President since 2008.	Executive Vice President, Head of Product Management (2009 to present), Senior Vice President, Asset Management Product Development (2008 to 2009), Senior Vice President, Asset Management Product Development (2005 to 2007), Virtus Investment Partners, Inc. and/or certain of its subsidiaries. Senior Vice President, Virtus Variable Insurance Trust (f/k/a The Phoenix Edge Series Fund) (9 portfolios) (since 2010), Director (2008 to 2009), Director and President (2006 to 2007), VP Distributors, Inc. (f/k/a Phoenix Equity Planning Corporation). Director and Senior Vice President, Virtus Investment Advisers, Inc. (2008 to present).
Nancy J. Engberg YOB: 1956	Vice President and Chief Compliance Officer since 2010.	Vice President, Virtus Investment Partners, Inc. (2008 to present); Chief Compliance Officer, Virtus Investment Partners, Inc. (2008 to 2011); Chief Compliance Officer, Virtus Variable Insurance Trust (9 portfolios) (since 2011); Vice President and Counsel, The Phoenix Cos., Inc. (2003 to 2008).
W. Patrick Bradley YOB: 1972	Chief Financial Officer and Treasurer since 2005; Vice President since 2011	Senior Vice President, Fund Administration (2009 to present), Vice President, Fund Administration (2007 to 2009), Second Vice President, Fund Control & Tax (2004 to 2006), Virtus Investment Partners, Inc. and/or certain of its subsidiaries. Chief Financial Officer and Treasurer (2006 to present), Vice President and Principal Accounting Officer (2006 to 2010), Assistant Treasurer (2004 to 2006), Virtus Variable Insurance Trust (f/k/a The Phoenix Edge Series Fund) (9 portfolios). Chief Financial Officer and Treasurer (2005 to present), Assistant Treasurer (2004 to 2006), certain funds within the Virtus Mutual Funds Family.
Kevin J. Carr YOB: 1954	Vice President, Chief Legal Officer, Counsel and Secretary since 2005.	Senior Vice President (2009 to present), Counsel and Secretary (2008 to present) and Vice President (2008 to 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries. Vice President, Chief Legal Officer, Counsel and Secretary, Virtus Variable Insurance Trust (f/k/a The Phoenix Edge Series Fund) (9 portfolios) (since 2010). Vice President and Counsel, Phoenix Life Insurance Company (2005 to 2008). Compliance Officer of Investments and Counsel, Travelers Life and Annuity Company (January 2005 to May 2005). Assistant General Counsel and certain other positions, The Hartford Financial Services Group (1995 to 2005).

# VIRTUS OPPORTUNITIES TRUST

101 Munson Street  
Greenfield, MA 01301-9668

## Trustees

George R. Aylward  
Leroy Keith, Jr.  
Philip R. McLoughlin, Chairman  
Geraldine M. McNamara  
James M. Oates  
Richard E. Segerson  
Ferdinand L.J. Verdonck

## Officers

George R. Aylward, President  
Francis G. Waltman, Senior Vice President  
Nancy J. Engberg, Vice President and  
Chief Compliance Officer  
W. Patrick Bradley, Vice President,  
Chief Financial Officer and Treasurer  
Kevin J. Carr, Vice President, Chief Legal  
Officer, Counsel and Secretary

## Investment Adviser

Virtus Investment Advisers, Inc.  
100 Pearl Street  
Hartford, CT 06103-4506

## Principal Underwriter

VP Distributors, LLC  
100 Pearl Street  
Hartford, CT 06103-4506

## Transfer Agent

VP Distributors, LLC  
100 Pearl Street  
Hartford, CT 06103-4506

## Custodian

The Bank of New York Mellon  
One Wall Street  
New York, NY 10005-2588

## Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLC  
2001 Market Street  
Philadelphia, PA 19103-7042

## How to Contact Us

Mutual Fund Services	1-800-243-1574
Adviser Consulting Group	1-800-243-4361
Telephone Orders	1-800-367-5877
Text Telephone	1-800-243-1926
Web site	<a href="http://Virtus.com">http://Virtus.com</a>

### 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.

**THIS PAGE INTENTIONALLY BLANK.**





P.O. Box 9874

Providence, RI 02940-8074

PRSR STD  
U.S. POSTAGE  
**PAID**  
LANCASTER,  
PA  
PERMIT 1793

For more information about  
Virtus mutual funds, please call  
your financial representative,  
contact us at **1-800-243-1574**  
or **Virtus.com**