

December 31, 2017

Virtus Seix Core Bond Fund

Virtus Seix Corporate Bond Fund

Virtus Seix Floating Rate High Income Fund

Virtus Seix Georgia Tax-Exempt Bond Fund

Virtus Seix High Grade Municipal Bond Fund

Virtus Seix High Income Fund

Virtus Seix High Yield Fund

Virtus Seix Investment Grade Tax-Exempt Bond Fund

Virtus Seix Limited Duration Fund*

Virtus Seix North Carolina Tax-Exempt Bond Fund

Virtus Seix Short-Term Bond Fund

Virtus Seix Short-Term Municipal Bond Fund

Virtus Seix Total Return Bond Fund

Virtus Seix U.S. Government Securities Ultra-Short Bond Fund

Virtus Seix U.S. Mortgage Fund

Virtus Seix Ultra-Short Bond Fund

Virtus Seix Virginia Intermediate Municipal Bond Fund

**Not FDIC Insured
No Bank Guarantee
May Lose Value**



* Prospectus supplement applicable to this fund appears at the back of this annual report.

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Proxy Voting Procedures and Voting Record (Form N-PX)

The subadvisers vote proxies relating to portfolio securities in accordance with procedures that have been approved by the Board of Trustees of the Trust (“Trustees”, or the “Board”). You may obtain a description of these procedures, along with information regarding how the Funds 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 (the “SEC”) website at <http://www.sec.gov>.

Form N-Q Information

The Trust files a complete schedule of portfolio holdings for each 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.

MESSAGE TO SHAREHOLDERS

To My Fellow Shareholders of Virtus Mutual Funds:



I am pleased to present this annual report that reviews the performance of your fund for the nine months ended December 31, 2017, which is the end of the fund's new fiscal year. The fund's last annual report was for the former fiscal year that ended March 31, 2017.

Economic growth and strong corporate earnings were driving forces in the U.S. in 2017, capped off by the sweeping tax overhaul signed into law at year-end, which fueled optimism further. The Federal Reserve, buoyed by a steadily strengthening economy, raised interest rates three times over the course of the year, and began the process of unwinding its balance sheet debt accumulated since the Financial Crisis of 2008 — a clear signal that it believes the U.S. has resumed a growth path. Outside the U.S., global growth also strengthened, with other major central banks preparing to taper their own stimulus policies.

Over the period, the favorable investment backdrop lifted major U.S. equity markets to new all-time highs with near-record low volatility. For the nine months ended December 31, 2017, large-cap stocks, as measured by the S&P 500[®] Index, returned 14.86%, outpacing small-cap stocks, which returned 11.89%, as measured by the Russell 2000[®] Index. Within international equities, emerging markets led their developed peers, with the MSCI Emerging Markets Index (net) up 23.18%, compared with the MSCI EAFE[®] Index (net), which returned 16.59%.

Demand for U.S. Treasuries remained strong, driven by foreign investors who favored their yield advantage and credit quality over many foreign government bonds. On December 31, 2017, the yield on the benchmark 10-year U.S. Treasury was 2.40%, the same as it was nine months earlier (March 31, 2017). The broader U.S. fixed income market, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, which tracks Treasuries and other investment-grade debt securities, increased 2.70% for the nine months, while non-investment grade bonds gained 4.68%, as measured by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.

Market uncertainty is an ever-present reminder of the importance of portfolio diversification, including exposure to traditional and alternative asset classes. While diversification cannot guarantee a profit or prevent a loss, owning a variety of asset classes may cushion your portfolio against inevitable market fluctuations. Your financial advisor can help you ensure that your portfolio is adequately diversified across asset classes and investment strategies, with a broad array of Virtus Funds available through your fund exchange privileges. These include distinctive equity, fixed income, international, and asset allocation funds from Virtus affiliates and select subadvisers. We invite you to learn more about the growing family of managers and funds at Virtus.com.

On behalf of our investment affiliates, thank you for entrusting the Virtus Funds with your assets. Should you have questions about your account or require assistance, please visit Virtus.com, or call our customer service team at 1-800-243-1574. We appreciate your business and remain committed to your long-term financial success.

Sincerely,



George R. Aylward
President, Virtus Mutual Funds
February 2018

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

VIRTUS ASSET TRUST
Disclosure of Fund Expenses (Unaudited)
For the six-month period of July 01, 2017 to December 31, 2017

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 a Virtus Asset Trust Fund (each, a "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 and Class R6 shares are sold without sales charges and do not incur distribution and service fees. For further information regarding applicable sales charges, see Note 1 in the Notes to Financial Statements. These examples are intended to help you understand your ongoing costs (in dollars) of investing in a 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 Annualized Expense Ratios may be different from the expense ratios in the Financial Highlights which is for the fiscal year ended December 31, 2017. The following Expense Table illustrates your Fund's costs in two ways.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information below, 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 table under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

	Beginning Account Value 07/01/17	Ending Account value 12/31/17	Expenses Paid During Period	Expense Ratio During Period*
Seix Core Bond Fund				
Class A	\$1,000.00	\$1,007.70	\$3.24	0.64%
Class I	1,000.00	1,008.50	2.53	0.50
Class R	1,000.00	1,006.40	4.60	0.91
Class R6**	1,000.00	1,009.20	1.82	0.36
Seix Corporate Bond Fund				
Class A	1,000.00	1,024.30	4.85	0.95
Class C	1,000.00	1,021.00	8.20	1.61
Class I	1,000.00	1,026.80	3.58	0.70
Seix Floating Rate High Income Fund				
Class A	1,000.00	1,019.00	4.78	0.94
Class C	1,000.00	1,016.00	7.72	1.52
Class I	1,000.00	1,020.60	3.16	0.62
Class R6**	1,000.00	1,022.30	2.65	0.52
Seix Georgia Tax-Exempt Bond Fund				
Class A	1,000.00	1,018.50	3.82	0.75
Class I	1,000.00	1,019.10	3.31	0.65
Seix High Grade Municipal Bond Fund				
Class A	1,000.00	1,021.10	4.08	0.80
Class I	1,000.00	1,021.90	3.31	0.65
Seix High Income Fund				
Class A	1,000.00	1,036.20	5.34	1.04
Class I	1,000.00	1,037.40	4.11	0.80
Class R	1,000.00	1,036.80	6.26	1.22
Class R6**	1,000.00	1,038.30	3.29	0.64
Seix High Yield Fund				
Class A	1,000.00	1,028.80	4.19	0.82
Class I	1,000.00	1,028.60	3.27	0.64
Class R	1,000.00	1,027.70	5.32	1.04
Class R6**	1,000.00	1,030.30	2.71	0.53
Seix Investment Grade Tax-Exempt Bond Fund				
Class A	1,000.00	1,012.70	4.06	0.80
Class I	1,000.00	1,012.60	3.30	0.65
Seix Limited Duration Fund				
Class I	1,000.00	1,007.60	1.77	0.35
Seix North Carolina Tax-Exempt Bond Fund				
Class A	1,000.00	1,015.90	4.06	0.80
Class I	1,000.00	1,017.70	3.31	0.65
Seix Short-Term Bond Fund				
Class A	1,000.00	1,000.50	4.03	0.80
Class C	1,000.00	995.40	8.00	1.59
Class I	1,000.00	1,000.40	3.03	0.60

VIRTUS ASSET TRUST
Disclosure of Fund Expenses (Unaudited) (Continued)
For the six-month period of July 01, 2017 to December 31, 2017

	Beginning Account Value 07/01/17	Ending Account value 12/31/17	Expenses Paid During Period	Expense Ratio During Period*
Seix Short-Term Municipal Bond Fund				
Class A	\$1,000.00	\$1,000.20	\$3.28	0.65%
Class I	1,000.00	1,001.10	2.42	0.48
Seix Total Return Bond Fund				
Class A	1,000.00	1,001.60	3.53	0.70
Class I	1,000.00	1,002.60	2.32	0.46
Class R	1,000.00	1,000.30	4.74	0.94
Class R6**	1,000.00	1,003.30	1.57	0.31
Seix U.S. Government Securities Ultra-Short Bond Fund				
Class I	1,000.00	1,006.10	2.07	0.41
Class R6	1,000.00	1,006.90	1.32	0.26
Seix U.S. Mortgage Fund				
Class A	1,000.00	1,006.40	4.55	0.90
Class C	1,000.00	1,002.60	8.28	1.64
Class I	1,000.00	1,007.40	3.54	0.70
Seix Ultra-Short Bond Fund				
Class I	1,000.00	1,008.60	2.03	0.40
Seix Virginia Intermediate Municipal Bond Fund				
Class A	1,000.00	1,011.50	4.01	0.79
Class I	1,000.00	1,012.20	3.30	0.65

* 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 (184) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period.

** On September 18, 2017, Class IS shares were renamed Class R6 shares.

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on each 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 this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of 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.

	Beginning Account Value 07/01/17	Ending Account value 12/31/17	Expenses Paid During Period	Expense Ratio During Period*
Seix Core Bond Fund				
Class A	\$1,000.00	\$1,021.98	\$3.26	0.64%
Class I	1,000.00	1,022.69	2.55	0.50
Class R	1,000.00	1,020.62	4.63	0.91
Class R6**	1,000.00	1,023.39	1.84	0.36
Seix Corporate Bond Fund				
Class A	1,000.00	1,020.42	4.84	0.95
Class C	1,000.00	1,017.09	8.19	1.61
Class I	1,000.00	1,021.68	3.57	0.70
Seix Floating Rate High Income Fund				
Class A	1,000.00	1,020.47	4.79	0.94
Class C	1,000.00	1,017.54	7.73	1.52
Class I	1,000.00	1,022.08	3.16	0.62
Class R6**	1,000.00	1,022.58	2.65	0.52
Seix Georgia Tax-Exempt Bond Fund				
Class A	1,000.00	1,021.43	3.82	0.75
Class I	1,000.00	1,021.93	3.31	0.65

VIRTUS ASSET TRUST
Disclosure of Fund Expenses (Unaudited) (Continued)
For the six-month period of July 01, 2017 to December 31, 2017

	Beginning Account Value 07/01/17	Ending Account value 12/31/17	Expenses Paid During Period	Expense Ratio During Period*
Seix High Grade Municipal Bond Fund				
Class A	\$1,000.00	\$1,021.17	\$4.08	0.80%
Class I	1,000.00	1,021.93	3.31	0.65
Seix High Income Fund				
Class A	1,000.00	1,019.96	5.30	1.04
Class I	1,000.00	1,021.17	4.08	0.80
Class R	1,000.00	1,019.06	6.21	1.22
Class R6**	1,000.00	1,021.98	3.26	0.64
Seix High Yield Fund				
Class A	1,000.00	1,021.07	4.18	0.82
Class I	1,000.00	1,021.98	3.26	0.64
Class R	1,000.00	1,019.96	5.30	1.04
Class R6**	1,000.00	1,022.53	2.70	0.53
Seix Investment Grade Tax-Exempt Bond Fund				
Class A	1,000.00	1,021.17	4.08	0.80
Class I	1,000.00	1,021.93	3.31	0.65
Seix Limited Duration Fund				
Class I	1,000.00	1,023.44	1.79	0.35
Seix North Carolina Tax-Exempt Bond Fund				
Class A	1,000.00	1,021.17	4.08	0.80
Class I	1,000.00	1,021.93	3.31	0.65
Seix Short-Term Bond Fund				
Class A	1,000.00	1,021.17	4.08	0.80
Class C	1,000.00	1,017.19	8.08	1.59
Class I	1,000.00	1,022.18	3.06	0.60
Seix Short-Term Municipal Bond Fund				
Class A	1,000.00	1,021.93	3.31	0.65
Class I	1,000.00	1,022.79	2.45	0.48
Seix Total Return Bond Fund				
Class A	1,000.00	1,021.68	3.57	0.70
Class I	1,000.00	1,022.89	2.35	0.46
Class R	1,000.00	1,020.47	4.79	0.94
Class R6**	1,000.00	1,023.64	1.58	0.31
Seix U.S. Government Securities Ultra-Short Bond Fund				
Class I	1,000.00	1,023.14	2.09	0.41
Class R6	1,000.00	1,023.90	1.33	0.26
Seix U.S. Mortgage Fund				
Class A	1,000.00	1,020.67	4.58	0.90
Class C	1,000.00	1,016.94	8.34	1.64
Class I	1,000.00	1,021.68	3.57	0.70
Seix Ultra-Short Bond Fund				
Class I	1,000.00	1,023.19	2.04	0.40
Seix Virginia Intermediate Municipal Bond Fund				
Class A	1,000.00	1,021.22	4.02	0.79
Class I	1,000.00	1,021.93	3.31	0.65

* 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 (184) expenses were accrued in the most recent fiscal half-year, then divided by 365 to reflect the one-half year period.

** On September 18, 2017, Class IS shares were renamed Class R6 shares.

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

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

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.

Asset-Backed Securities (ABS)

Asset-backed securities represent interests in pools of underlying assets such as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card arrangements.

Bloomberg Barclays 1-3 Year U.S. Government/Credit Index

The Bloomberg Barclays 1-3 Yr. U.S. Government/Credit Bond Index measures U.S. investment grade government and corporate debt securities with an average maturity of 1 to 3 years. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Bloomberg Barclays 3-6 Month U.S. Treasury Bill Index

The Bloomberg Barclays 3-6 Month U.S. Treasury Bill Index is comprised of all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 6 months and more than 3 months, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in US dollars and must be fixed rate and non-convertible. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Bloomberg Barclays Municipal Bond 1-5 Year Index

The Bloomberg Barclays Municipal Bond 1-5 Year Index is a market capitalization-weighted index of investment grade tax-exempt municipal bonds with maturities of 1-5 years. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Bloomberg Barclays Municipal Bond Index

The Bloomberg Barclays Municipal Bond Index is a market capitalization-weighted index that measures the long-term tax-exempt bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Bloomberg Barclays U.S. Aggregate Bond Index

The Bloomberg Barclays U.S. Aggregate Bond Index measures the U.S. investment-grade fixed-rate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Bloomberg Barclays U.S. Corporate High Yield Bond Index

The Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Bloomberg Barclays U.S. Corporate Investment Grade Bond Index

The Bloomberg Barclays U.S. Corporate Investment Grade Bond Index measures performance of investment grade corporate bond funds. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Bloomberg Barclays U.S. Mortgage Backed Securities Index

The Bloomberg Barclays U.S. Mortgage Backed Securities Index measures agency mortgage-backed pass through securities (fixed-rate and hybrid adjustable-rate mortgages) issued by Government National Mortgage Association (GNMA or Ginnie Mae), Federal National Mortgage Association (FNMA or Fannie Mae), and Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Bloomberg Barclays U.S. Municipal Bond 1-15 Year Blend (1-17) Index

The Bloomberg Barclays U.S. Municipal Bond 1-15 Year Blend (1-17) Index consists of a broad selection of investment grade general obligation and revenue bonds of maturities ranging from one year to 17 years. It is an unmanaged index representative of the tax exempt bond market. Its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Bloomberg Barclays U.S. Municipal Bond Index

The Bloomberg Barclays U.S. Municipal Bond Index is a market capitalization-weighted index that measures the long-term tax-exempt bond market. The index includes investment grade bonds, general obligations, revenue bonds, insured bonds and pre-funded bonds. The index is calculated on a total return basis. The index is unmanaged and not available for direct investment.

Collateralized Loan Obligation ("CLO")

A collateralized loan obligation is a type of security backed by a pool of debt, typically low-rated corporate loans, structured so that there are several classes of bondholders with varying maturities, called tranches.

Credit Cycle

The credit cycle is a description of the different phases of access over time to credit by borrowers, as the access expands and contracts along with risk and profitability to lenders. Typically, during an expansive phase of the credit cycle, funds are relatively easy to borrow, interest rates are lower and lenders are more willing to extend loans, while during a contractive phase of the credit cycle, access to funds contracts, interest rates climb and lending rules become more strict so that less credit is available.

Credit Suisse Leveraged Loan Index

The Credit Suisse Leveraged Loan Index is a market-weighted index that tracks the investable universe of the U.S. dollar denominated leveraged loans. The index is calculated on a total return basis, is unmanaged and not available for direct investment. The unmanaged index returns do not reflect any fees, expenses, or sales charges.

Exchange-Traded Fund (ETF)

An open-end fund that is traded on a stock exchange. Most ETFs have a portfolio of stocks or bonds that track a specific market index.

Federal Funds Rate

The rate at which depository institutions (banks) lend reserve balances to other banks on an overnight basis.

Federal Reserve (the "Fed")

The Central Bank of the United States, responsible for controlling the money supply, interest rates and credit with the goal of keeping the U.S. economy and currency stable. Governed by a seven-member board, the system includes 12 regional Federal Reserve Banks, 25 branches and all national and state banks that are part of the system.

Financial Crisis of 2008

The Financial Crisis of 2008, also known as the Global Financial Crisis or Financial Crisis of 2007-2008, is considered by many economists to have been the worst financial and economic crisis since the Great Depression that lasted from 1929 to 1941. The Crisis began in 2007 with a crisis in the subprime mortgage market in the U.S., and it developed into an international banking crisis with the collapse of the investment bank Lehman Brothers in September of 2008. Although bail-outs of financial institutions as well as monetary and fiscal policies were put into place throughout the world to mitigate its impact, the Crisis led to the global economic downturn commonly referred to as the Great Recession. During the Crisis and through the Great Recession that followed, housing prices fell drastically and unemployment rose, leading to legislation designed to promote financial stability such as the Dodd-Frank Act in the U.S. and efforts by various central banks to stimulate their countries' economies.

ICE BofAML U.S. 3-Month Treasury Bill Index

ICE BofAML U.S. 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

ICE BofAML U.S. High Yield BB-B Constrained Index

The ICE BofAML U.S. High Yield BB-B Constrained Index measures performance of BB/B U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market, and is restricted to a maximum of 2% per issuer. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

Leveraged Loan

Leveraged loans (also known as bank, senior or floating-rate loans) consists of below investment-grade credit quality loans that are arranged by banks and other financial institutions to help companies finance acquisitions, recapitalizations, or other highly leveraged transactions. Such loans may be especially vulnerable to adverse changes in economic or market conditions, although they are senior in the capital structure which typically provides investors/lenders a degree of potential credit risk protection.

London Interbank Offered Rate (LIBOR)

A benchmark rate that some of the world's leading banks charge each other for short-term loans and that serves as the first step to calculating interest rates on various loans throughout the world.

Maturity Wall

A maturity wall is the period in which many existing debt arrangements come due or approach maturity.

Mortgage-Backed Securities (MBS)

Mortgage-backed securities represent interests in pools of mortgage loans purchased from individual lenders by a federal agency or originated and issued by private lenders.

MSCI EAFE[®] Index (net)

The MSCI EAFE[®] (Europe, Australasia, Far East) Index (net) is a free float-adjusted market capitalization-weighted index that measures developed market equity performance, excluding the U.S. and Canada. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

MSCI Emerging Markets Index (net)

The MSCI Emerging Markets Index (net) is a free float-adjusted market capitalization-weighted index designed to measure equity market performance in the global emerging markets. The index is calculated on a total return basis with net dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Municipal Market Data-Line[®]

The Municipal Market Data-Line[®], which is published by Thomson Reuters, provides proprietary indicative yield curves for the U.S. domestic municipal bond market on a daily basis, as well as intra-day indications of probable movement on those daily yield curves and certain other information relating to the U.S. domestic municipal bond market.

Payment-in-Kind Security (PIK)

A bond which pays interest in the form of additional bonds, or preferred stock which pays dividends in the form of additional preferred stock.

Real Estate Mortgage Investment Conduit (REMIC)

A pass-through investment vehicle that is used to pool mortgage loans and issue mortgage-backed securities.

Russell 2000[®] Index

The Russell 2000[®] Index is a market capitalization-weighted index of the 2,000 smallest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

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. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

Tax Cuts and Jobs Act of 2017 (TCJA)

The Tax Cuts and Jobs Act, which became law in December 2017, provides the first major overhaul of the U.S. federal tax code since 1986. The TCJA modifies tax rates, policies, credits, and deductions for individuals and businesses.

U.S. Dollar Index[®]

The U.S. Dollar Index[®] is a geometrically-averaged calculation of the following six currencies weighted against the U.S. dollar: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona and Swiss franc. The index is compiled by ICE Futures U.S., Inc. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and it is not available for direct investment.

U.S. Treasury Inflation-Protected Securities (TIPS)

A treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation.

When-issued and Forward Commitments (Delayed Delivery)

Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by a Fund to purchase or sell a security at a future date, ordinarily up to 90 days later. When-issued or forward commitments enable a Fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates.

Yield Curve

A yield curve is a line on a graph plotting the interest rates, at a set point in time, of bonds having equal credit quality but different maturity dates.

Virtus Seix Core Bond Fund

Fund Summary (Unaudited)

Ticker Symbols:

Class A: STGIX

Class I: STIGX

Class R: SCIGX

Class R6: STGZX

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 2.02%^{*†}, Class I shares returned 2.13%^{*}, Class R shares returned 1.82%^{*}, and Class R6 Shares returned 2.24%^{*}. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 2.70%^{*}.

^{*} Returns less than 1 year are not annualized.

[†] See footnote 3 on page 10.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index[®] (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- Within the primary investment grade spread sectors, corporate credit was the best performer, with 3.46% of excess return versus a duration-equivalent U.S. Treasury bond. Residential mortgage-backed securities (MBS) offered a more muted 0.52% of excess return.
- Among the secondary spread sectors, commercial MBS and asset-backed securities (ABS) delivered 1.58% and 0.92% of excess return, each versus a duration-equivalent U.S. Treasury bond, respectively.

What factors affected the Fund's performance during its fiscal period?

- Asset allocation to the primary spread sectors – corporate credit and residential MBS – was the largest drag on performance. The Fund was underweight exposure relative to the Bloomberg Barclays U.S. Aggregate Bond Index for a majority of the nine-month period, given that spreads were trading at or near the richest levels seen this cycle.
- An allocation to U.S. Treasury inflation-protected securities (TIPS) early in the fiscal period was also a modest drag on relative performance, as benign inflation data drove TIPS to underperform in the first half of the reporting period.
- Security selection within the corporate credit sector was a contributor to relative performance, as the Fund's credit holdings outperformed the credit sleeve of the benchmark.
- Asset allocation to the secondary spread sectors – commercial MBS and ABS – were also contributors to the Fund's relative performance, as the sectors offered positive excess return and the Fund was modestly overweight each sector over the course of the fiscal period.

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

Virtus Seix Core Bond Fund

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Foreign & Emerging Markets: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

Portfolio Turnover: The Fund's principal investment strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund's prospectus.

U.S. Government Securities: U.S. government securities may be subject to price fluctuations. An agency may default on an obligation not backed by the United States. Any guarantee on U.S. government securities does not apply to the value of the fund's shares.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

U.S. Government Securities	47%
Mortgage-Backed Securities	27
Agency	22%
Non-Agency	5
Corporate Bonds And Notes	18
Financials	6
Energy	4
Information Technology	2
All other Corporate Bonds And Notes	6
Asset-Backed Securities	5
Credit Card	4
All other Asset-Backed Securities	1
Money Market Mutual Fund	3
Total	100%

Virtus Seix Core Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years	Since inception	Inception date
Class A Shares at NAV^{2,3}	2.91 %	1.73%	4.04%	— %	—
Class A Shares at POP^{4,5}	(0.95)	0.96	3.64	—	—
Class I Shares at NAV²	3.05	1.93	4.30	—	—
Class R Shares at NAV²	2.62	1.52	—	3.03	7/31/09
Class R6 Shares at NAV²	3.20	—	—	2.32	8/3/15
Bloomberg Barclays U.S. Aggregate Bond Index	3.54	2.10	4.01	—⁶	—

Fund Expense Ratios⁷: A Shares: Gross 0.81%, Net 0.65%; C Shares: Gross 0.67%, Net 0.51%; I Shares: Gross 1.06%, Net 0.92%; R6 Shares: Gross 0.51%, Net 0.37%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ Total Return for the report period presented in the table differs from the return in the Financial Highlights. The total return presented in the above table is calculated based on the NAV at which shareholder transactions were processed. The total return presented in the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principals required in the annual report and semiannual report.

⁴ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.

⁵ "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 certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

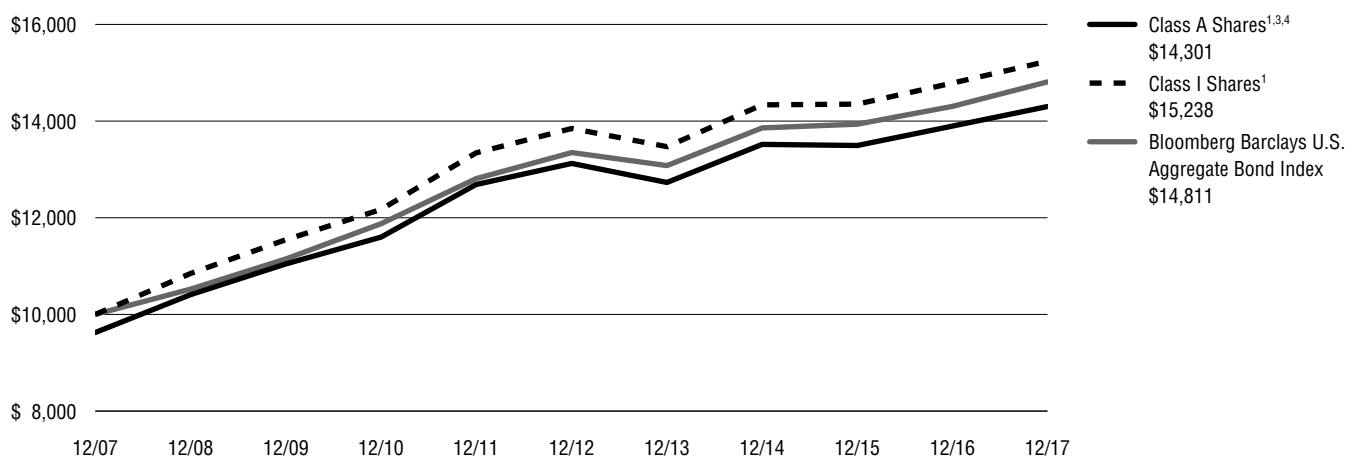
⁶ The index returned 3.71% for Class R shares and 2.44% for Class R6, respectively, since inception.

⁷ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000

 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix Corporate Bond Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 4.53%*, Class C shares returned 4.02%*, and Class I shares returned 4.86%*. For the same period, the Bloomberg Barclays U.S. Corporate Investment Grade Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 5.13%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index® (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- Higher-volatility corporate credit outperformed during the fiscal period, with Baa-rated bonds providing 4.19% of excess return versus a duration-equivalent U.S. Treasury bond, while single-A issues provided 2.09% of excess return. Corporate bonds with longer maturities also outperformed, with long U.S. corporates delivering 5.47% of excess return above a Treasury bond with a similar duration, compared with 2.56% for intermediate-term corporates.
- There was little differentiation among investment grade industrial, financial and utility sector performance for the period, as they generated 3.49%, 3.43% and 3.48% of excess return versus a duration-equivalent U.S. Treasury bond, respectively. However, long financial institutions' credits provided 6.44% of excess return when compared with a Treasury bond with a similar duration, outperforming similarly dated long industrials (5.47%) and long utilities (4.63%).

What factors affected the Fund's performance during its fiscal period?

- The primary drivers of the Fund's outperformance were both asset allocation and security selection.
- Within asset allocation, positions in out-of-index emerging market credits, as well as overweight positioning in the metals sector (principally through gold mining credits) and refining sector were the largest contributors.
- Security selection within the banking sector was a large contributor to outperformance, while security selection within the refining sector was also a notable contributor.
- An underweight position in corporate bonds with maturities in the 20-year area detracted from relative performance.
- An underweight position in the independent energy sector, as well as security selection in oilfield services and wireline credits, also detracted from relative performance.

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

Virtus Seix Corporate Bond Fund

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

High Yield-High Risk Fixed Income

Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Industry/Sector Concentration: A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

Portfolio Turnover: The Fund's principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund's prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Corporate Bonds And Notes	95%
Financials	34%
Energy	24
Information Technology	9
Consumer Discretionary	7
Real Estate	5
Industrials	4
Health Care	4
All other Corporate Bonds And Notes	8
Money Market Mutual Fund	3
Foreign Government Security	<u>2</u>
Total	100%

Virtus Seix Corporate Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	6.29%	3.31%	5.04%
Class A Shares at POP^{3,4}	2.30	2.52	4.64
Class C Shares at NAV and with CDSC^{2,4}	5.59	2.62	4.32
Class I Shares at NAV²	6.69	3.63	5.36
Bloomberg Barclays U.S. Corporate Investment Grade Bond Index	6.42	3.48	5.65

Fund Expense Ratios⁵: A Shares: Gross 1.19%, Net 0.96%; C Shares: Gross 1.91%, Net 1.66%; I Shares: Gross 1.05%, Net 0.71%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.

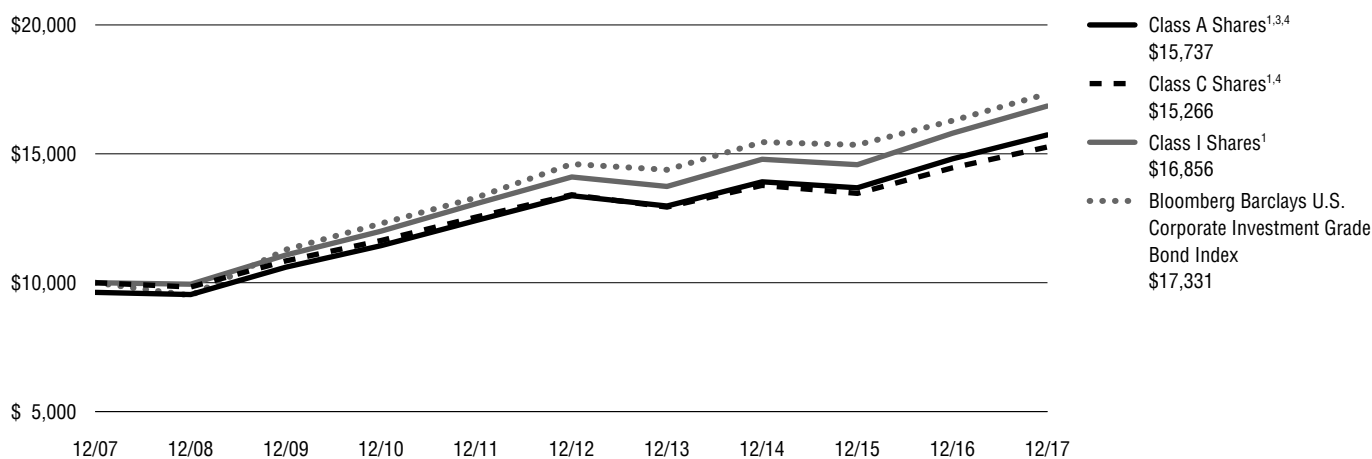
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix Floating Rate High Income Fund

Fund Summary (Unaudited)

Ticker Symbols:

Class A: SFRA

Class C: SFRX

Class I: SAMB

Class R6: SFRZ

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of attempting to provide a high level of current income. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 2.47%*, Class C shares returned 1.89%*, Class I shares returned 2.70%*, and Class R6 Shares returned 2.78%*. For the same period, the Credit Suisse Leveraged Loan Index, the Fund's style-specific benchmark appropriate for comparison, returned 3.01%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

The fiscal nine-month period ended December 31, 2017, saw solid performance for the leveraged loan asset class. Record refinancing activity for the loan market helped fuel primary issuance as well as extend the maturity wall and overall credit cycle. New institutional primary issuance ended 2017 at approximately \$503 billion, a record. Collateralized loan obligation (CLO) issuance also contributed to the strong spate of deals, with \$117 billion of new issuance reported in 2017, the second strongest year on record, and much higher than the original \$50 to \$65 billion anticipated earlier in the year.

Defaults played a minor role in loan market performance during the fiscal period. Given the firm fundamentals and constructive primary market calendar, leveraged loan default rates remained below the historical long-term average.

The announcement of U.S. tax reform served as a tailwind for credit assets. Recent interest rate hikes by the Federal Reserve (the Fed) added to the appeal of leveraged loans, which act as an inflationary hedge. Leveraged loans continued to look attractive relative to other fixed income asset classes based on their seniority in the capital structure

What factors affected the Fund's performance during its fiscal period?

Exposure to the energy sector and positive security selection contributed to performance as the credits held in the Fund outperformed their respective peers. In the financials sector, an overweight position and positive security selection added to performance. Positive security selection and an underweight position in retail also contributed to relative returns.

The Fund's exposure to cash detracted from performance during the fiscal nine-month period. An overweight and adverse security selection in transportation made a negative contribution to relative performance. Exposure to the telecom sector also detracted, with most of the underperformance due to a single issuer awaiting Federal Communications Commission (FCC) approval for its wireless spectrum.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix Floating Rate High Income Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Floating Rate Loans: Floating rate loans are typically senior and secured, in contrast to other below-investment grade securities. However, there is no guarantee that the value of the collateral will not decline, causing a loan to be substantially unsecured. Loans generally are subject to restrictions on resale. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. Participation in certain types of loans may limit the ability of a fund to enforce its rights and may involve assuming additional credit risks.

High Yield-High Risk Fixed Income

Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Prospectus: For additional information on risks, please see the fund's prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Leveraged Loans	87%
Healthcare	8%
Cable/Wireless Video	8
Information Technology	7
Gaming/Leisure	7
Service	6
Financial	6
Diversified Media	5
All other Leveraged Loans	40
Money Market Mutual Fund	9
Corporate Bonds And Notes	3
Common Stocks	1
Total	100%

Virtus Seix Floating Rate High Income Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years	Since inception	Inception date
Class A Shares at NAV ²	3.43%	3.57%	4.04%	— %	—
Class A Shares at POP ^{3,4}	0.59	2.99	3.75	—	—
Class C Shares at NAV and with CDSC ^{2,4}	2.82	2.95	3.40	—	—
Class I Shares at NAV ²	3.87	3.88	4.36	—	—
Class R6 Shares at NAV ²	3.97	—	—	4.68	2/1/15
Credit Suisse Leveraged Loan Index	4.25	4.33	4.57	4.54	—

Fund Expense Ratios⁵: A Shares: Gross 1.02%, Net 0.95%; C Shares: Gross 1.65%, Net 1.53%; I Shares: Gross 0.75%, Net 0.63%; R6 Shares: Gross 0.64%, Net 0.53%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

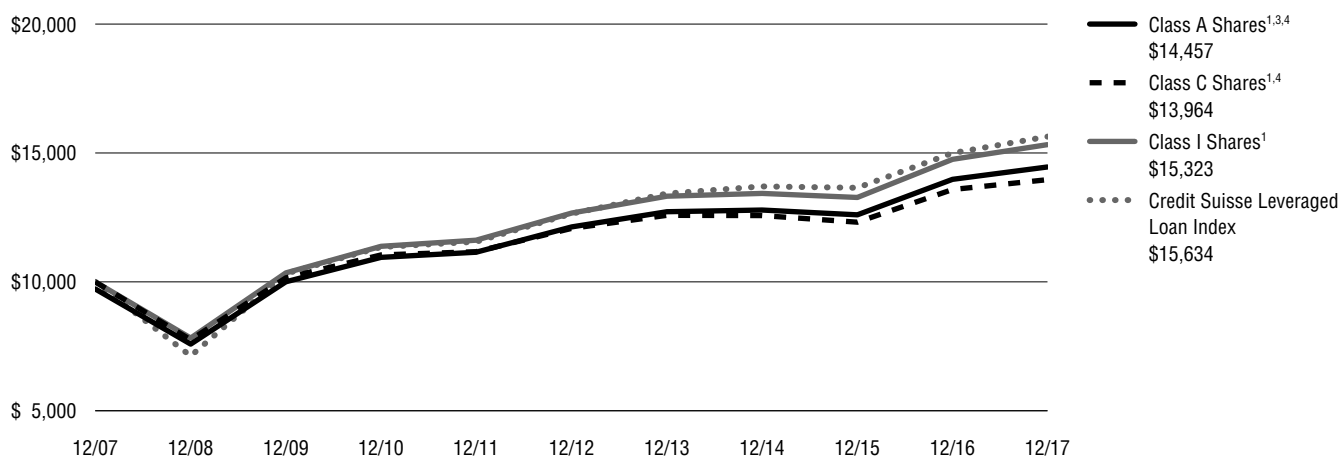
³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.

⁴ "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 certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix Georgia Tax-Exempt Bond Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking current income exempt from federal and state income taxes for Georgia residents consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 3.62%* and Class I shares returned 3.61%*. For the same period, the Bloomberg Barclays U.S. Municipal Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 3.81%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

For the fiscal nine months ended December 31, 2017, the municipal market was supported by reduced primary issuance and sustained demand. Risk premiums remained narrow despite headwinds in select sectors such as health care and local general obligation debt, making caution prudent and fundamental research indispensable for security selection.

Volatility was low for most of the period before moving higher in November and December 2017 as the Tax Cuts and Jobs Act of 2017 (TCJA) was debated and ultimately signed into law. The TCJA eliminates the ability of municipal issuers to engage in tax-exempt advance refunding of existing debt. Refunding activity has accounted for 35% to 55% of primary market debt issuance over the past 10 years. Private activity bond issuance was ultimately preserved for charitable organizations known as 501(c)(3) entities, despite being threatened in earlier versions of the bill. December 2017 witnessed record primary market activity as issuers scrambled to come to market given the above concerns.

Among AAA-rated municipal bonds, five-year yields rose 0.13% while 10- and 30-year yields fell 0.27% and 0.51%, respectively, over the nine months (according to Municipal Market Data-Line®). Total returns generally increased as credit quality decreased and maturities grew longer. Health care and leasing provided the best relative performance among the larger sectors of the Bloomberg Barclays Municipal Bond Index as the quest for incremental income endured.

What factors affected the Fund's performance during its fiscal period?

An overweight to bonds with 12-year and longer final maturities assisted performance relative to the benchmark, while an underweight position in six- to 12-year bonds detracted.

The Fund's overweights to the education and special tax sectors positively impacted performance, while an underweight position in state and local general obligation bonds was detrimental.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix Georgia Tax-Exempt Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Geographic Concentration: A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location.

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

Prospectus: For additional information on risks, please see the fund's prospectus.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Municipal Bonds	97%
General Revenue	33%
Pre-Refunded	19
Healthcare Revenue	12
Water & Sewer Revenue	11
Transportation Revenue	8
Tax Allocation Revenue	6
General Obligation	6
All other Municipal Bonds	2
Money Market Mutual Fund	<u>3</u>
Total	100%

Virtus Seix Georgia Tax-Exempt Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	4.42%	2.55%	3.73%
Class A Shares at POP^{3,4}	1.55	1.98	3.44
Class I Shares at NAV²	4.43	2.67	3.87
Bloomberg Barclays U.S. Municipal Bond Index	5.45	3.02	4.46

Fund Expense Ratios⁵: A Shares: Gross 0.90%, Net 0.76%; I Shares: Gross 0.84%, Net 0.66%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.

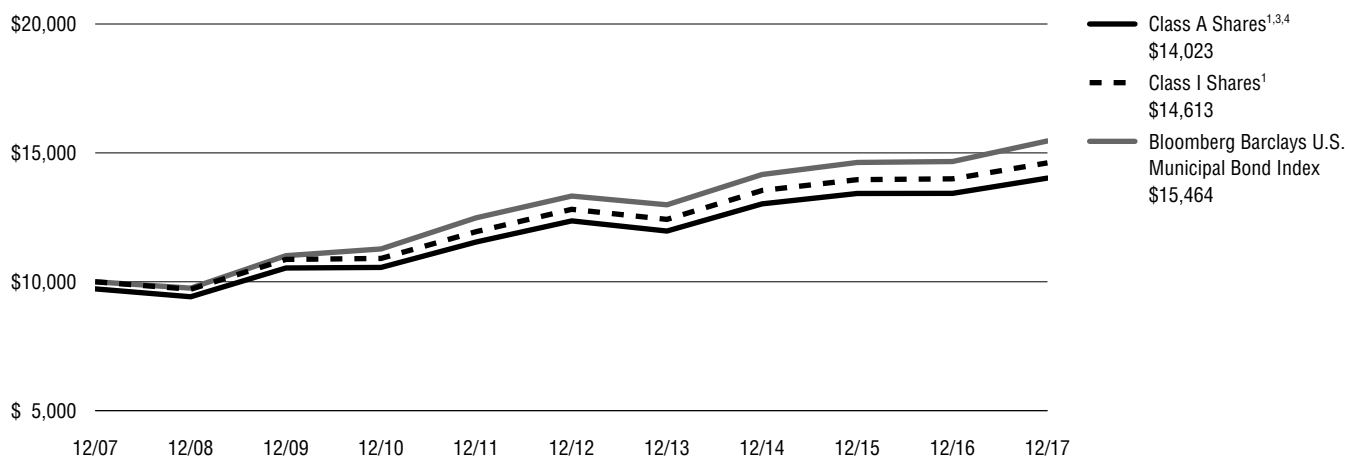
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix High Grade Municipal Bond Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize total return through (i) current income that is exempt from federal income taxes and (ii) capital appreciation consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 4.12%* and Class I shares returned 4.24%*. For the same period, the Bloomberg Barclays U.S. Municipal Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 3.81%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

For the fiscal nine months ended December 31, 2017, the municipal market was supported by reduced primary issuance and sustained demand. Risk premiums remained narrow despite headwinds in select sectors such as health care and local general obligation debt, making caution prudent and fundamental research indispensable for security selection.

Volatility was low for most of the period before moving higher in November and December 2017 as the Tax Cuts and Jobs Act of 2017 (TCJA) was debated and ultimately signed into law. The TCJA eliminates the ability of municipal issuers to engage in tax-exempt advance refunding of existing debt. Refunding activity has accounted for 35% to 55% of primary market debt issuance over the past 10 years. Private activity bond issuance was ultimately preserved for charitable organizations known as 501(c)(3) entities, despite being threatened in earlier versions of the bill. December 2017 witnessed record primary market activity as issuers scrambled to come to market given the above concerns.

Among AAA-rated municipal bonds, five-year yields rose 0.13% while 10- and 30-year yields fell 0.27% and 0.51%, respectively, over the nine months (according to Municipal Market Data-Line®). Total returns generally increased as credit quality decreased and maturities grew longer. Health care and leasing provided the best relative performance among the larger sectors of the Bloomberg Barclays Municipal Bond Index as the quest for incremental income endured

What factors affected the Fund's performance during its fiscal period?

An overweight position in bonds with 12-year and longer final maturities assisted performance relative to the benchmark, while an underweight of six- to 12-year bonds detracted.

The Fund's overweight to the transportation and special tax sectors positively impacted performance, while underweight positions in local general obligation and leasing bonds were detrimental.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix High Grade Municipal Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

Portfolio Turnover: The Fund's principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund's prospectus.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Municipal Bonds	98%
Money Market Mutual Fund	<u>2</u>
Total	100%

Virtus Seix High Grade Municipal Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	5.39%	3.46%	4.87%
Class A Shares at POP^{3,4}	2.49	2.88	4.58
Class I Shares at NAV²	5.46	3.61	5.02
Bloomberg Barclays U.S. Municipal Bond Index	5.45	3.02	4.46

Fund Expense Ratios⁵: A Shares: Gross 0.98%, Net 0.84%; I Shares: Gross 0.88%, Net 0.69%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.

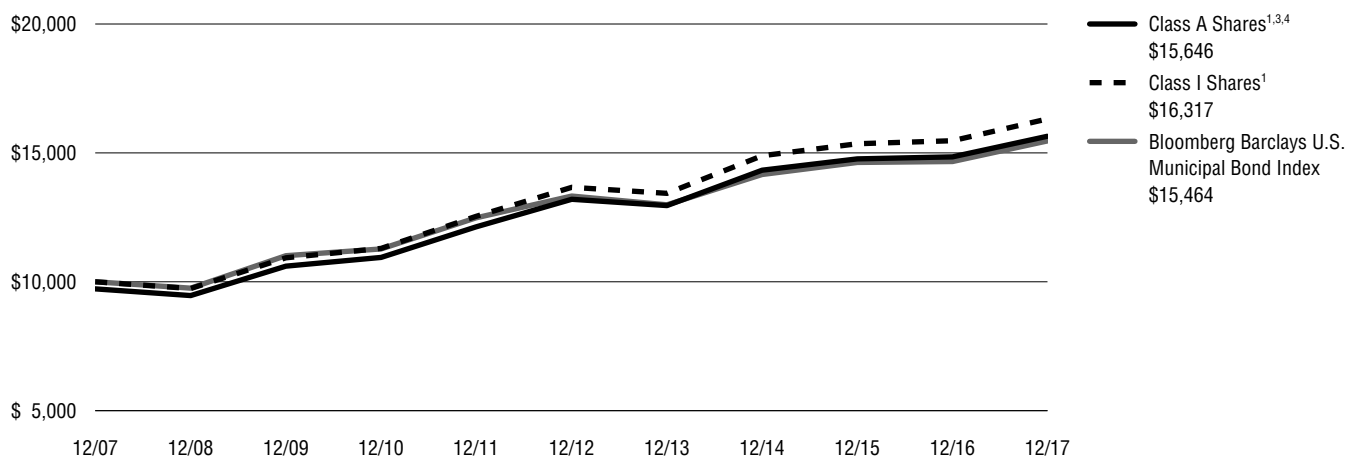
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix High Income Fund

Fund Summary (Unaudited)

Ticker Symbols:

Class A: SAHIX

Class I: STHTX

Class R: STHIX

Class R6: STHZX

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking high current income and, secondarily, total return (comprised of capital appreciation and income). *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 5.52%*, Class I shares returned 5.53%*, Class R shares returned 5.36%*, and Class R6 Shares returned 5.82%*. For the same period, the Bloomberg Barclays U.S. Corporate High Yield Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 4.68%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- The Bloomberg Barclays U.S. Corporate High Yield Bond Index registered a relatively healthy return of 4.68% for the nine months ended December 31, 2017.
- Many positive factors came together during the year to provide ballast for high yield debt.
- The U.S. economy continued to post steady, moderately positive growth.
- Energy, currently the largest high yield industry by market value, profited from strengthening oil prices as supply and demand approached balance.
- Despite the Federal Reserve (the Fed) having announced increases in the target federal funds rate, equity markets and most other risk assets continued to benefit from interest rates that were still low by historic standards.
- While gross high yield issuance for the full year 2017 was \$320 billion, compared with \$286 billion for 2016, supply was manageable with issuance excluding refinancing activity measuring \$120 billion, the smallest amount since 2011's \$110 billion.

What factors affected the Fund's performance during its fiscal period?

- The Fund's return for Class I shares for the nine months ended December 31, 2017, was 5.53%, 0.85% ahead of the benchmark.
- Contributors to relative outperformance included:
 - An overweighting in finance, especially mortgage servicers and a consumer finance company,
 - An underweighting in wireline telecommunications as specific, poorly managed providers that the Fund did not hold declined,
 - The Fund's overweighting and positive security selection in energy, which benefited from a recovery in oil prices, and
 - Favorable security selection in health care, including specific pharmaceutical and health care service providers.
- Partially offsetting the positive factors were:
 - The Fund's modest holding in cash in a rising market,
 - An underweighting in the metals & mining sector, and
 - Unfavorable security selection in retail, particularly one issuer that defaulted and one distressed issuer.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

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

Virtus Seix High Income Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Floating Rate Loans: Floating rate loans are typically senior and secured, in contrast to other below-investment grade securities. However, there is no guarantee that the value of the collateral will not decline, causing a loan to be substantially unsecured. Loans generally are subject to restrictions on resale. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. Participation in certain types of loans may limit the ability of a fund to enforce its rights and may involve assuming additional credit risks.

Foreign & Emerging Markets: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

High Yield-High Risk Fixed Income

Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Prospectus: For additional information on risks, please see the fund's prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Corporate Bonds And Notes	91%
Energy	17%
Consumer Discretionary	16
Financials	15
Industrials	10
Health Care	7
Telecommunication Services	6
Real Estate	5
All other Corporate Bonds And Notes	15
Leveraged Loans	5
Money Market Mutual Fund	3
Common Stocks	1
Total	<u>100%</u>

Virtus Seix High Income Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years	Since inception	Inception date
Class A Shares at NAV²	7.37%	5.04%	7.45%	— %	—
Class A Shares at POP^{3,4}	3.34	4.24	7.04	—	—
Class I Shares at NAV²	7.61	5.28	7.72	—	—
Class R Shares at NAV²	7.33	4.85	—	8.84	7/31/09
Class R6 Shares at NAV²	7.78	—	—	4.51	8/1/14
Bloomberg Barclays U.S. Corporate High Yield Bond Index	7.50	5.78	8.03	— ⁵	—

Fund Expense Ratios⁶: A Shares: Gross 1.16%, Net 1.05%; I Shares: Gross 0.99%, Net 0.82%; R Shares: Gross 1.38%, Net 1.24%; R6 Shares: Gross 0.81%, Net 0.66%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.

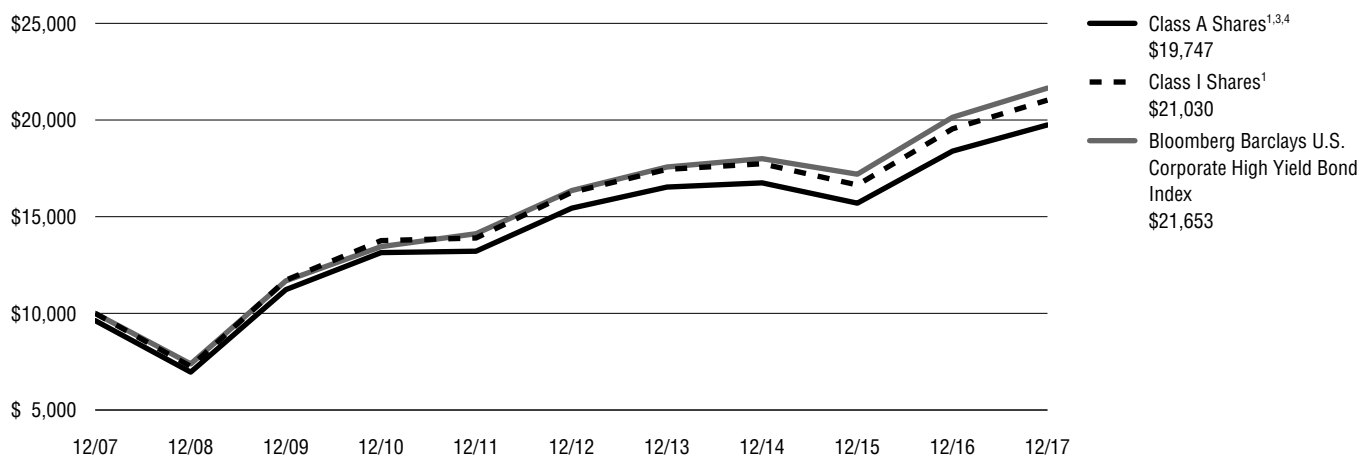
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The index returned 9.33% for Class R Shares and 5.25% for Class R6 Shares, respectively, since inception.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix High Yield Fund

Fund Summary (Unaudited)

Ticker Symbols:

Class A: HYP5X

Class I: SAM5X

Class R: HYL5X

Class R6: HYIZX

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking high income and, secondarily, capital appreciation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 4.63%*, Class I shares returned 4.64%*, Class R shares returned 4.45%*, and Class R6 Shares returned 4.85%*. For the same period, the ICE BofAML U.S. High Yield BB-B Constrained Index, the Fund's style-specific benchmark appropriate for comparison, returned 4.59%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- The ICE BofAML U.S. High Yield BB-B Constrained Index registered a relatively healthy return of 4.59% for the nine months ended December 31, 2017.
- Many positive factors came together during the year to provide ballast for high yield debt.
- The U.S. economy continued to post steady, moderately positive growth.
- Energy, currently the largest high yield industry by market value, profited from strengthening oil prices as supply and demand approached balance.
- Despite the Federal Reserve (the Fed) having announced increases in the target federal funds rate, equity markets and most other risk assets continued to benefit from interest rates that were still low by historic standards.
- While gross high yield issuance for the full year 2017 was \$320 billion, compared with \$286 billion for 2016, supply was manageable with issuance excluding refinancing activity measuring \$120 billion, the smallest amount since 2011's \$110 billion.

What factors affected the Fund's performance during its fiscal period?

- The Fund's return for Class I shares for the nine months ended December 31, 2017, was 4.64%, 0.05% ahead of the benchmark.
- Contributors to relative outperformance included:
 - o An overweighting in finance,
 - o An underweighting in wireline telecommunications as specific, poorly managed providers that the Fund did not hold declined,
 - o The Fund's overweighting and positive security selection in energy, which benefited from a recovery in oil prices,
 - o Favorable security selection in health care, including specific pharmaceutical and health care service providers, and
 - o Favorable security selection in diversified manufacturing and services.
- Partially offsetting the positive factors were:
 - o The Fund's modest holding in cash in a rising market,
 - o An underweighting in the metals & mining sector, and
 - o Unfavorable security selection in finance.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

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

Virtus Seix High Yield Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Floating Rate Loans: Floating rate loans are typically senior and secured, in contrast to other below-investment grade securities. However, there is no guarantee that the value of the collateral will not decline, causing a loan to be substantially unsecured. Loans generally are subject to restrictions on resale. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. Participation in certain types of loans may limit the ability of a fund to enforce its rights and may involve assuming additional credit risks.

High Yield-High Risk Fixed Income

Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Prospectus: For additional information on risks, please see the fund's prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Corporate Bonds And Notes	92%
Consumer Discretionary	17%
Energy	15
Financials	13
Industrials	11
Telecommunication Services	9
Information Technology	6
Health Care	5
All other Corporate Bonds And Notes	16
Leveraged Loans	5
Money Market Mutual Fund	<u>3</u>
Total	100%

Virtus Seix High Yield Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years	Since inception	Inception date
Class A Shares at NAV²	6.84%	4.35%	6.14%	— %	—
Class A Shares at POP^{3,4}	2.83	3.55	5.74	—	—
Class I Shares at NAV²	6.99	4.55	6.32	—	—
Class R Shares at NAV²	6.57	4.12	—	7.13	7/31/09
Class R6 Shares at NAV²	7.11	—	—	8.02	8/1/16
ICE BofAML U.S. High Yield BB-B Constrained Index	6.98	5.59	7.33	—⁵	—

Fund Expense Ratios⁶: A Shares: Gross 0.99%, Net 0.83%; I Shares: Gross 0.81%, Net 0.65%; R Shares: Gross 1.18%, Net 1.05%; R6 Shares: Gross 0.68%, Net 0.54%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.

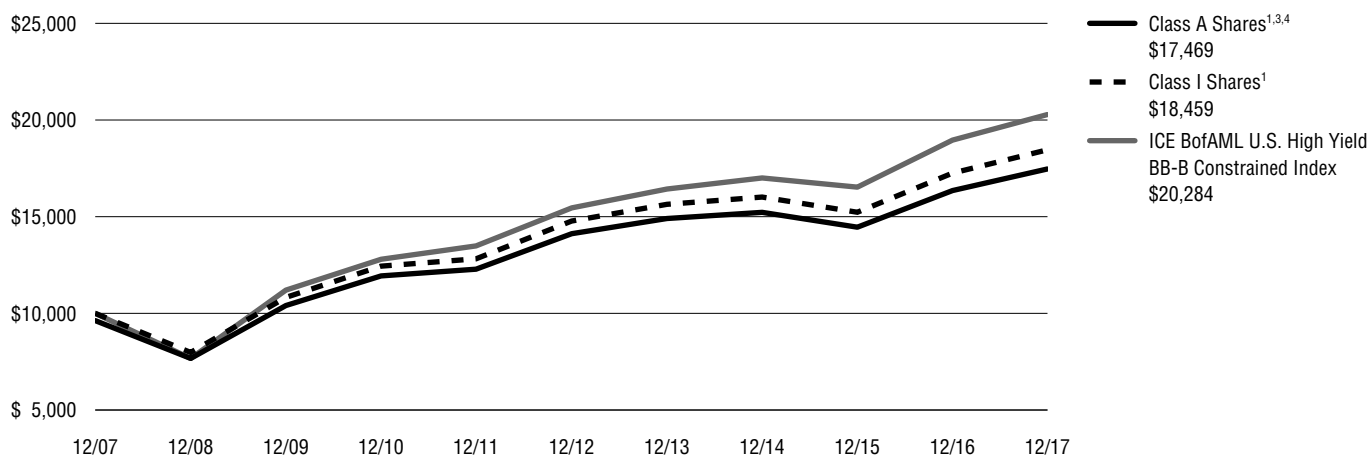
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The index returned 8.67% for Class R Shares and 7.75% for Class R6 Shares, respectively, since inception.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix Investment Grade Tax-Exempt Bond Fund

Ticker Symbols:
Class A: SISIX
Class I: STTBX

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize high total return through (i) current income that is exempt from federal income taxes and (ii) capital appreciation consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 2.76%* and Class I shares returned 2.79%*. For the same period, the Bloomberg Barclays U.S. Municipal Bond 1-15 Year Blend (1-17) Index, the Fund's style-specific benchmark appropriate for comparison, returned 2.74%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

For the fiscal nine months ended December 31, 2017, the municipal market was supported by reduced primary issuance and sustained demand. Risk premiums remained narrow despite headwinds in select sectors such as health care and local general obligation debt, making caution prudent and fundamental research indispensable for security selection.

Volatility was low for most of the period before moving higher in November and December 2017 as the Tax Cuts and Jobs Act of 2017 (TCJA) was debated and ultimately signed into law. The TCJA eliminates the ability of municipal issuers to engage in tax-exempt advance refunding of existing debt. Refunding activity has accounted for 35% to 55% of primary market debt issuance over the past 10 years. Private activity bond issuance was ultimately preserved for charitable organizations known as 501(c)(3) entities, despite being threatened in earlier versions of the bill. December 2017 witnessed record primary market activity as issuers scrambled to come to market given the above concerns.

Among AAA-rated municipal bonds, five-year yields rose 0.13% while 10- and 30-year yields fell 0.27% and 0.51%, respectively, over the nine months (according to Municipal Market Data-Line®). Total returns generally increased as credit quality decreased and maturities grew longer. Health care and leasing provided the best relative performance among the larger sectors of the Bloomberg Barclays Municipal Bond Index as the quest for incremental income endured.

What factors affected the Fund's performance during its fiscal period?

An overweight position in bonds with 12-year and longer final maturities assisted performance relative to the benchmark, while an underweight of four- to 12-year bonds detracted.

The Fund's overweight to the special tax sector and security selection within the transportation sector positively impacted performance, while underweight positions in local general obligation and leasing bonds were detrimental.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix Investment Grade Tax-Exempt Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

Portfolio Turnover: The Fund's principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund's prospectus.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Municipal Bonds	97%
Money Market Mutual Fund	<u>3</u>
Total	100%

Virtus Seix Investment Grade Tax-Exempt Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	3.65%	2.19%	3.97%
Class A Shares at POP^{3,4}	0.80	1.62	3.68
Class I Shares at NAV²	3.81	2.33	4.20
Bloomberg Barclays U.S. Municipal Bond 1-15 Year Blend (1-17) Index	4.33	2.46	3.99

Fund Expense Ratios⁵: A Shares: Gross 1.03%, Net 0.82%; I Shares: Gross 0.85%, Net 0.67%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.

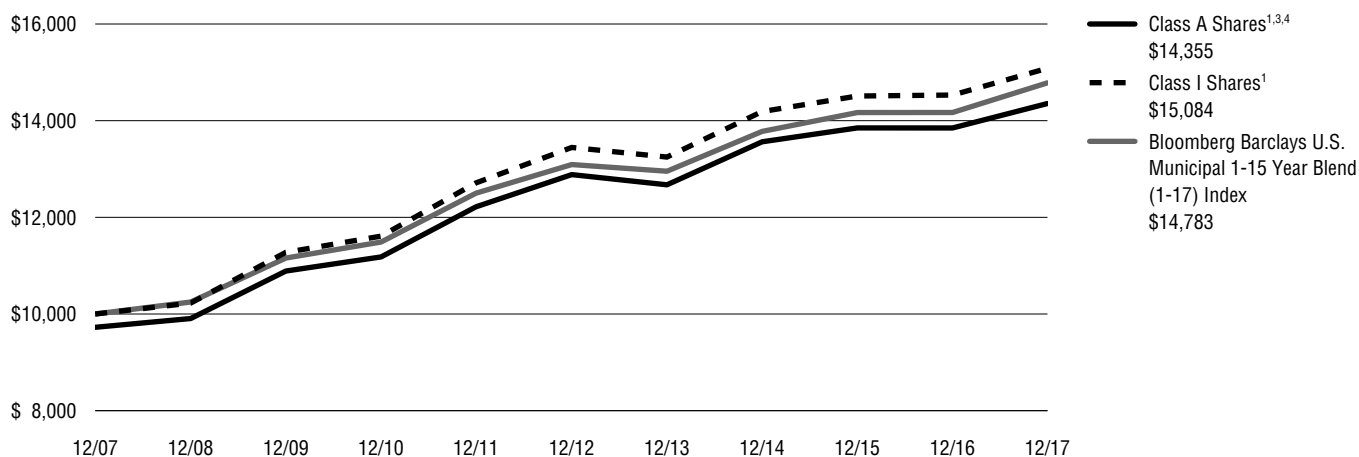
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix Limited Duration Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking current income, while preserving liquidity and principal. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 1.03%*. For the same period, the ICE BofAML U.S. 3-Month Treasury Bill Index, the Fund's style-specific benchmark appropriate for comparison, returned 0.75%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index® (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- As a result of the Fed rate hikes, three-month Treasury bill rates increased 0.88% to 1.38%, six-month Treasury rates increased 0.92% to 1.53%, and one-month London Interbank Offered Rate (LIBOR) increased 0.79% to 1.56%.

What factors affected the Fund's performance during its fiscal period?

- The primary driver of the Fund's outperformance was the allocation to floating rate securities, given the rising short rate environment and the cash-equivalent nature of the strategy.
- Certain agency adjustable-rate mortgage (ARM) exposure was also a relative detractor due to the ability of the securities to be called, which has the effect of limiting price appreciation.

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Virtus Seix Limited Duration Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Foreign & Emerging Markets: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

Prospectus: For additional information on risks, please see the fund's prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Mortgage-Backed Securities	88%
Asset-Backed Securities	9
Money Market Mutual Fund	<u>3</u>
Total	100%

Virtus Seix Limited Duration Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class I Shares at NAV²	1.37%	0.52%	0.69%
ICE BofAML U.S. 3-Month Treasury Bill Index	0.86	0.27	0.39

Fund Expense Ratios³: I Shares: Gross 0.55%, Net 0.36%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

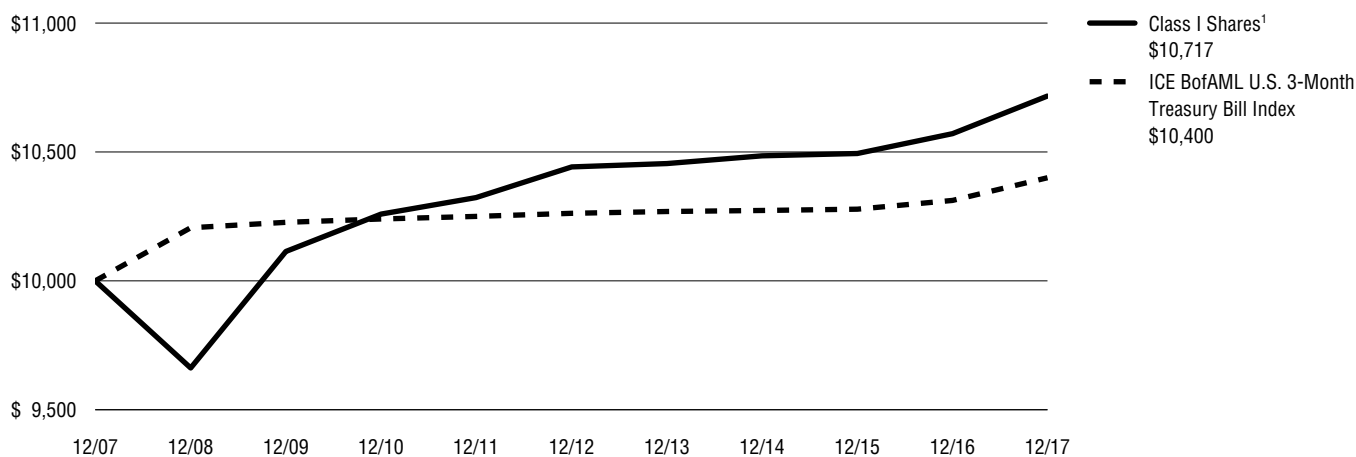
¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix North Carolina Tax-Exempt Bond Fund

Ticker Symbols:
Class A: SNCIX
Class I: CNCFX

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is non-diversified and has an investment objective of seeking current income exempt from federal and state income taxes for North Carolina residents consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 3.30%* and Class I shares returned 3.51%*. For the same period, the Bloomberg Barclays U.S. Municipal Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 3.81%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

For the fiscal nine months ended December 31, 2017, the municipal market was supported by reduced primary issuance and sustained demand. Risk premiums remained narrow despite headwinds in select sectors such as health care and local general obligation debt, making caution prudent and fundamental research indispensable for security selection.

Volatility was low for most of the period before moving higher in November and December 2017 as the Tax Cuts and Jobs Act of 2017 (TCJA) was debated and ultimately signed into law. The TCJA eliminates the ability of municipal issuers to engage in tax-exempt advance refunding of existing debt. Refunding activity has accounted for 35% to 55% of primary market debt issuance over the past 10 years. Private activity bond issuance was ultimately preserved for charitable organizations known as 501(c)(3) entities, despite being threatened in earlier versions of the bill. December 2017 witnessed record primary market activity as issuers scrambled to come to market given the above concerns.

Among AAA-rated municipal bonds, five-year yields rose 0.13% while 10- and 30-year yields fell 0.27% and 0.51%, respectively, over the nine months (according to Municipal Market Data-Line®). Total returns generally increased as credit quality decreased and maturities grew longer. Health care and leasing provided the best relative performance among the larger sectors of the Bloomberg Barclays Municipal Bond Index as the quest for incremental income endured.

What factors affected the Fund's performance during its fiscal period?

Overweight positions in bonds with eight- to 17-year and 22-year and longer final maturities assisted performance relative to the benchmark, while an underweight to two- to six-year bonds detracted.

The Fund's overweight to the education sector positively impacted performance, while an underweight position in state general obligation bonds was detrimental.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix North Carolina Tax-Exempt Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Geographic Concentration: A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location.

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

Prospectus: For additional information on risks, please see the fund's prospectus.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Municipal Bonds	97%
General Revenue	24%
Transportation Revenue	18
Pre-Refunded	12
Healthcare Revenue	12
General Obligation	10
Electric Revenue	10
Water & Sewer Revenue	6
All other Municipal Bonds	5
Money Market Mutual Fund	<u>3</u>
Total	100%

Virtus Seix North Carolina Tax-Exempt Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	4.16%	2.34%	3.70%
Class A Shares at POP^{3,4}	1.29	1.77	3.41
Class I Shares at NAV²	4.31	2.50	3.86
Bloomberg Barclays U.S. Municipal Bond Index	5.45	3.02	4.46

Fund Expense Ratios⁵: A Shares: Gross 0.99%, Net 0.82%; I Shares: Gross 0.94%, Net 0.77%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.

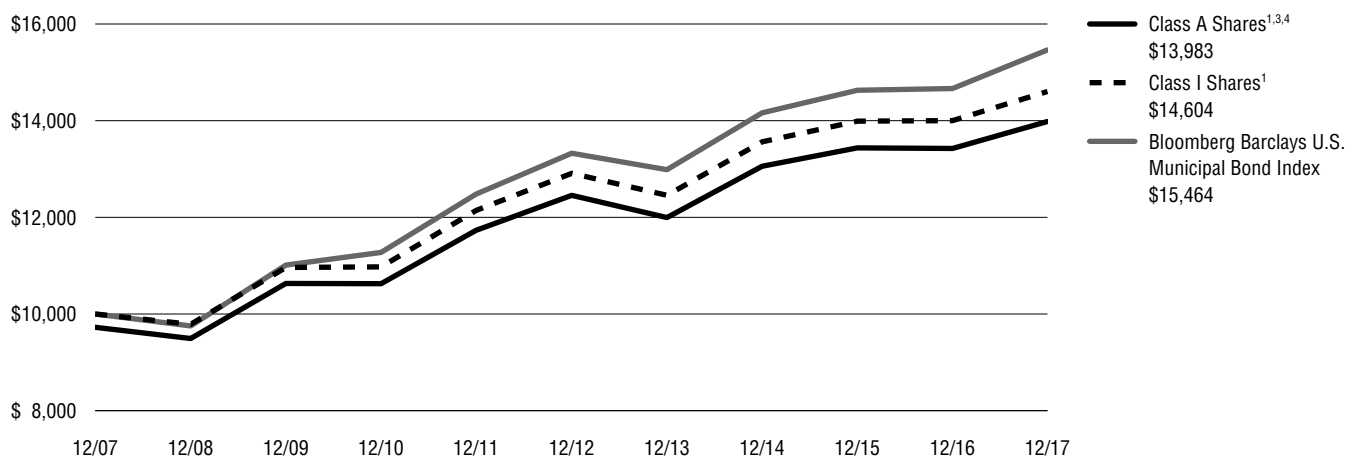
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix Short-Term Bond Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 0.27%*, Class C shares returned (0.36)%*†, and Class I shares returned 0.31%*. For the same period, the Bloomberg Barclays 1-3 Year Government/Credit Index, the Fund's style-specific benchmark appropriate for comparison, returned 0.44%*.

* Returns less than 1 year are not annualized.

† See footnote 5 on page 40.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index® (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- Within the primary investment grade spread sectors, corporate credit was the best performer, with 3.46% of excess return versus a duration-equivalent U.S. Treasury bond. Residential mortgage-backed securities (MBS) offered a more muted 0.52% of excess return.
- Among the secondary spread sectors, commercial MBS and asset-backed securities (ABS) delivered 1.58% and 0.92% of excess return, each versus a duration-equivalent U.S. Treasury bond, respectively.

What factors affected the Fund's performance during its fiscal period?

- Asset allocation to the securitized spread sectors – residential and commercial mortgage-backed securities (MBS) and asset-backed securities (ABS) – was the primary contributor to the Fund's relative performance, as these sectors are out of index and offered positive excess return versus a duration-equivalent U.S. Treasury bond. The Fund was consistently invested in these securitized sectors over the course of the fiscal nine months.
- Asset allocation to the corporate credit sector was also a primary contributor to relative performance, as the Fund was overweight exposure relative to the Bloomberg Barclays 1-3 Year U.S. Government/Credit Index for a majority of the fiscal period.
- Security selection within the corporate credit sector was a drag on relative performance, as the Fund's credit holdings underperformed the credit sleeve of the benchmark.
- Given tight spreads, residential MBS exposure was a drag on performance relative to the performance of the other securitized sector exposure in the Fund.

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

Virtus Seix Short-Term Bond Fund

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

Portfolio Turnover: The Fund's principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund's prospectus.

U.S. Government Securities: U.S. government securities may be subject to price fluctuations. An agency may default on an obligation not backed by the United States. Any guarantee on U.S. government securities does not apply to the value of the fund's shares.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Corporate Bonds And Notes	46%
Financials	21%
Consumer Discretionary	7
Information Technology	7
Utilities	4
Materials	3
Consumer Staples	3
Industrials	1
U.S. Government Securities	26
Mortgage-Backed Securities	25
Asset-Backed Securities	3
Total	100%

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

Virtus Seix Short-Term Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	0.56 %	0.44 %	1.62%
Class A Shares at POP^{3,4}	(1.70)	(0.01)	1.39
Class C Shares at NAV and with CDSC^{2,4,5}	(0.23)	(0.16)	0.92
Class I Shares at NAV²	0.56	0.62	1.82
Bloomberg Barclays 1-3 Year Government/Credit Bond Index	0.84	0.84	1.85

Fund Expense Ratios⁶: A Shares: Gross 0.93%, Net 0.80%; C Shares: Gross 1.70%, Net 1.57%; I Shares: Gross 0.82%, Net 0.60%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.25% sales charge.

⁴ "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.

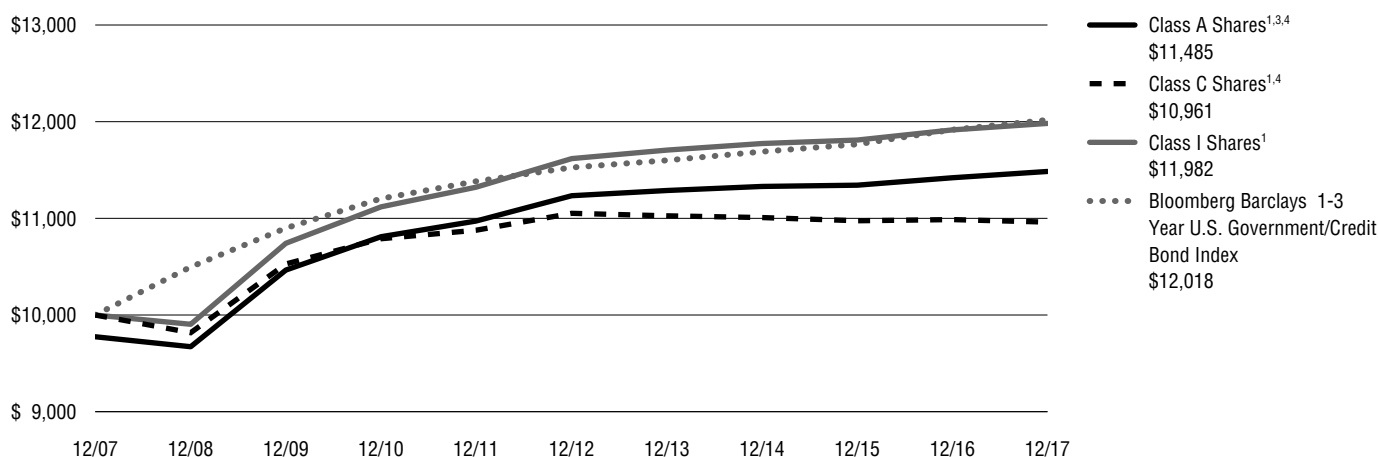
CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ Total Return for the report period presented in the table differs from the return in the Financial Highlights. The total return presented in the above table is calculated based on the NAV at which shareholder transactions were processed. The total return presented in the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principals required in the annual report and semiannual report.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix Short-Term Municipal Bond Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize total return through (i) current income that is exempt from federal income taxes and (ii) capital appreciation consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 0.39%* and Class I shares returned 0.52%*. For the same period, the Bloomberg Barclays Municipal Bond 1-5 Year Index, the Fund's style-specific benchmark appropriate for comparison, returned 0.40%*.

* Returns less than 1 year are not annualized.

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How did the markets perform during the nine-month fiscal period ended December 31, 2017?

For the fiscal nine months ended December 31, 2017, the municipal market was supported by reduced primary issuance and sustained demand. Risk premiums remained narrow despite headwinds in select sectors such as health care and local general obligation debt, making caution prudent and fundamental research indispensable for security selection.

Volatility was low for most of the period before moving higher in November and December 2017 as the Tax Cuts and Jobs Act of 2017 (TCJA) was debated and ultimately signed into law. The TCJA eliminates the ability of municipal issuers to engage in tax-exempt advance refunding of existing debt. Refunding activity has accounted for 35% to 55% of primary market debt issuance over the past 10 years. Private activity bond issuance was ultimately preserved for charitable organizations known as 501(c)(3) entities, despite being threatened in earlier versions of the bill. December 2017 witnessed record primary market activity as issuers scrambled to come to market given the above concerns.

Among AAA-rated municipal bonds, five-year yields rose 0.13% while 10- and 30-year yields fell 0.27% and 0.51%, respectively, over the nine months (according to Municipal Market Data-Line®). Total returns generally increased as credit quality decreased and maturities grew longer. Health care and leasing provided the best relative performance among the larger sectors of the Bloomberg Barclays Municipal Bond Index as the quest for incremental income endured.

What factors affected the Fund's performance during its fiscal period?

An overweight position in bonds with maturities less than one year, as well as final maturities of six years and longer, assisted performance relative to the benchmark. An underweight of two- to four-year bonds detracted.

The Fund's overweight to the transportation and lease sectors positively impacted performance, whereas security selection in the education sector was detrimental.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix Short-Term Municipal Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

Prospectus: For additional information on risks, please see the fund's prospectus.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Municipal Bonds	96%
Money Market Mutual Fund	<u>4</u>
Total	100%

Virtus Seix Short-Term Municipal Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	1.23 %	0.55%	2.71%
Class A Shares at POP^{3,4}	(1.05)	0.09	2.47
Class I Shares at NAV²	1.25	0.70	2.83
Bloomberg Barclays Municipal Bond 1-5 Year Index	1.61	1.07	2.32

Fund Expense Ratios⁵: A Shares: Gross 0.92%, Net 0.67%; I Shares: Gross 0.84%, Net 0.50%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.25% sales charge.

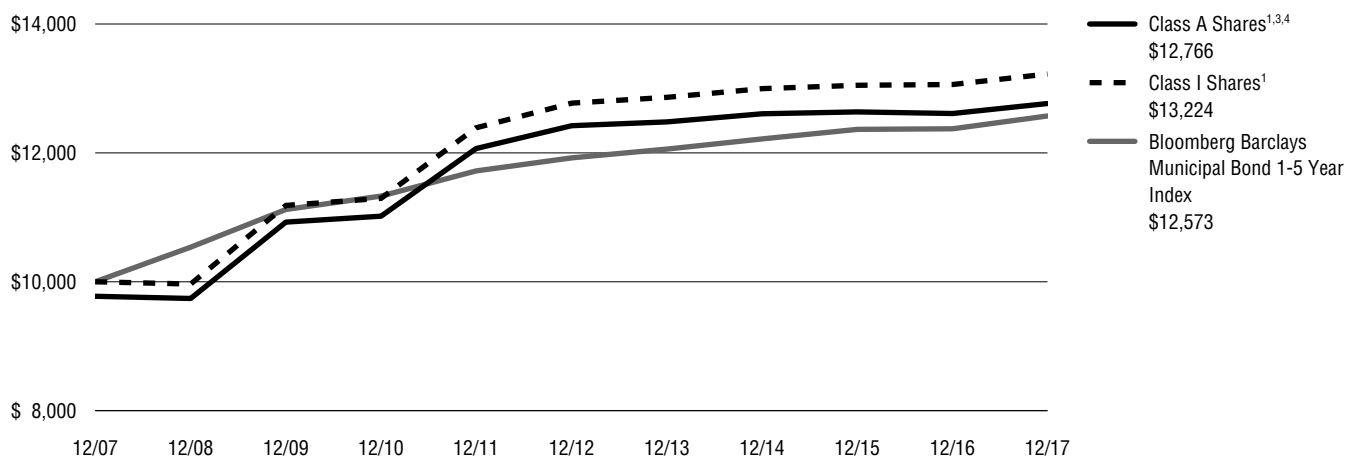
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

Virtus Seix Total Return Bond Fund

Fund Summary (Unaudited)

Ticker Symbols:
Class A: CBPSX
Class I: SAMFX
Class R: SCBLX
Class R6: SAMZX

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 1.37%*, Class I shares returned 1.56%*, Class R shares returned 1.18%*, and Class R6 Shares returned 1.68%*. For the same period, the Bloomberg Barclays U.S. Aggregate Bond Index, the Fund's style-specific benchmark appropriate for comparison, returned 2.70%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index® (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- Within the primary investment grade spread sectors, corporate credit was the best performer with 3.46% of excess return versus a duration-equivalent U.S. Treasury bond. Residential mortgage-backed securities (MBS) offered a more muted 0.52% of excess return.
- Among the secondary spread sectors, commercial MBS and asset-backed securities (ABS) delivered 1.58% and 0.92% of excess return, each versus a duration-equivalent U.S. Treasury bond, respectively.

What factors affected the Fund's performance during its fiscal period?

- The primary driver of the Fund's underperformance was a short position in the high yield (HY) market, which was expressed through credit default swaps that anticipated HY underperformance due to elevated valuations.
- Asset allocation to the primary spread sectors – corporate credit and residential MBS – were also drags on performance. The Fund was underweight exposure relative to the Bloomberg Barclays U.S. Aggregate Bond Index for a majority of the nine-month period, given that spreads were trading at or near the richest levels seen this cycle.
- An allocation to U.S. Treasury inflation-protected securities (TIPS) early in the fiscal period was also a modest drag on relative performance, as benign inflation data drove TIPS to underperform in the first half of the reporting period.
- Security selection within the corporate credit sector was a contributor to relative performance, as the Fund's credit holdings outperformed the credit sleeve of the benchmark.
- Global strategies contributed modestly to relative performance through out-of-index allocations in several emerging markets.

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

Virtus Seix Total Return Bond Fund

• Asset allocation to the secondary spread sectors – commercial MBS and ABS – were also contributors to the Fund’s relative performance, as the sectors offered positive excess return and the Fund was modestly overweight each sector over the course of the fiscal period.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund’s fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Foreign & Emerging Markets: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

High Yield-High Risk Fixed Income

Securities: There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund’s performance may be more volatile than if it did not hold these securities.

Portfolio Turnover: The Fund’s principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund’s prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

U.S. Government Securities	41%
Mortgage-Backed Securities	28
Agency	23%
Non-Agency	5
Corporate Bonds And Notes	18
Financials	6
Energy	4
All other Corporate Bonds And Notes	8
Asset-Backed Securities	5
Credit Card	4
All other Asset-Backed Securities	1
Foreign Government Securities	5
Money Market Mutual Fund	3
Total	100%

Virtus Seix Total Return Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years	Since inception	Inception date
Class A Shares at NAV²	2.42 %	1.54%	4.13%	— %	—
Class A Shares at POP^{3,4}	(1.42)	0.77	3.73	—	—
Class I Shares at NAV²	2.67	1.81	4.43	—	—
Class R Shares at NAV²	2.13	1.21	—	3.53	2/13/09
Class R6 Shares at NAV²	2.83	—	—	2.33	8/1/14
Bloomberg Barclays U.S. Aggregate Bond Index	3.54	2.10	4.01	—⁵	—

Fund Expense Ratios⁶: A Shares: Gross 0.88%, Net 0.71%; I Shares: Gross 0.61%, Net 0.47%; R Shares: Gross 1.17%, Net 1.07%; R6 Shares: Gross 0.46%, Net 0.32%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 3.75% sales charge.

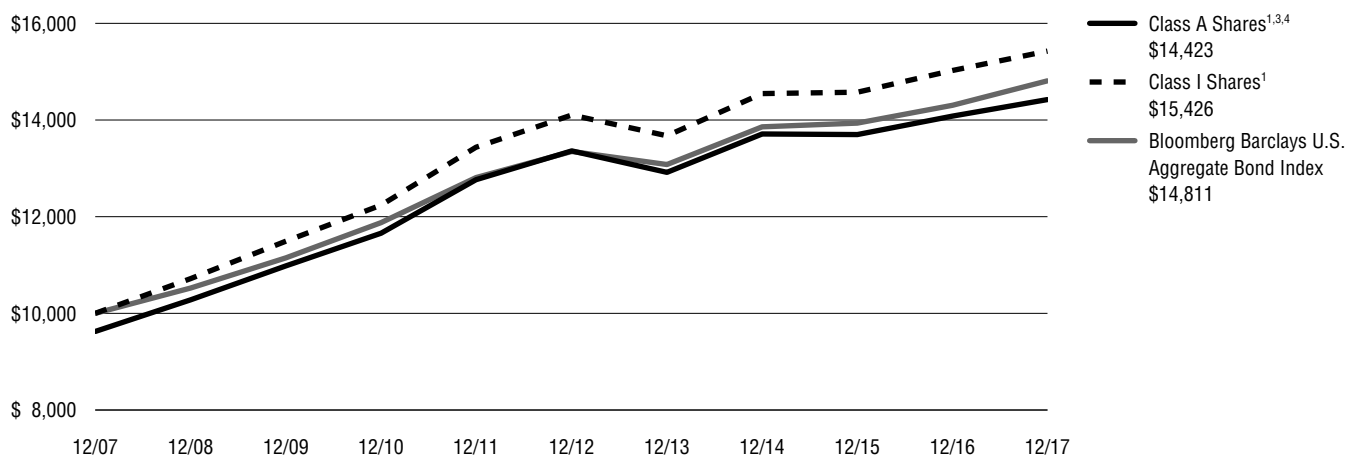
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase. CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The index returned 3.99% for Class R Shares and 2.55% for Class R6 Shares, respectively, since inception.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix U.S. Government Securities Ultra-Short Bond Fund

Ticker Symbols:
Class I: SIGVX
Class R6: SIGZX

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize current income consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal year ended December 31, 2017, the Fund's Class I shares at NAV returned 0.92%^{*†}, and Class R6 Shares returned 1.04%^{*}. For the same period, the Bloomberg Barclays 3-6 Month U.S. Treasury Bill Index, the Fund's style-specific benchmark appropriate for comparison, returned 0.74%^{*}.

^{*} Returns less than 1 year are not annualized.

[†] See footnote 3 on page 49.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index[®] (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- As a result of the Fed rate hikes, three-month Treasury bill rates increased 0.88% to 1.38%, six-month Treasury rates increased 0.92% to 1.53%, and one-month London Interbank Offered Rate (LIBOR) increased 0.79% to 1.56%.

What factors affected the Fund's performance during its fiscal period?

- The primary driver of the Fund's outperformance was keeping interest rate risk near the low end of the range for the fiscal nine-month period. An allocation to floating rate securities also contributed positively, given the rising short rate environment.
- A secondary driver of outperformance was the Fund's allocation to floating rate agency commercial mortgage-backed securities.
- The allocation to post-reset agency adjustable-rate mortgage (ARM) securities, while near historic lows for the Fund, was a detractor from performance as prepayments came in higher than expectations.
- Other agency ARM exposure was also a relative detractor due to the ability of the securities to be called, which has the effect of limiting price appreciation.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

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

Virtus Seix U.S. Government Securities Ultra-Short Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

Prospectus: For additional information on risks, please see the fund's prospectus.

U.S. Government Guarantees: U.S. Government guarantees apply only to the underlying securities of a fund's portfolio and not a fund's shares.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Mortgage-Backed Securities	91%
Agency	91%
U.S. Government Securities	5
Money Market Mutual Fund	3
Asset-Backed Security	<u>1</u>
Total	100%

Virtus Seix U.S. Government Securities Ultra-Short Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years	Since inception	Inception date
Class I Shares at NAV^{2,3}	1.30%	0.57%	1.64%	— %	—
Class R6 Shares at NAV²	1.46	—	—	1.29	8/1/16
Bloomberg Barclays 3-6 Month U.S. Treasury Bill Index	0.85	0.33	0.55	0.73	—

Fund Expense Ratios⁴: I Shares: Gross 0.56%, Net 0.42%; R6 Shares: Gross 0.40%, Net 0.27%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

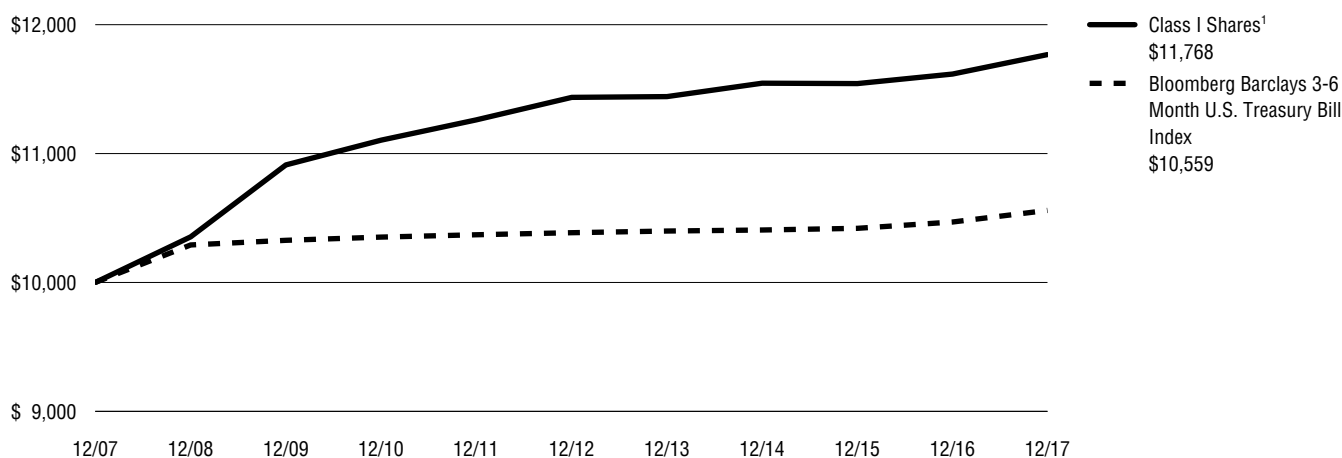
² "NAV" (Net Asset Value) total returns do not include the effect of any sales charge.

³ Total Return for the report period presented in the table differs from the return in the Financial Highlights. The total return presented in the above table is calculated based on the NAV at which shareholder transactions were processed. The total return presented in the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principals required in the annual report and semiannual report.

⁴ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix U.S. Mortgage Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize long term total return through a combination of current income and capital appreciation, consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 1.72%^{*†}, Class C shares returned 1.17%^{*†}, and Class I shares returned 1.88%^{*†}. For the same period, the Bloomberg Barclays U.S. Mortgage Backed Securities Index, the Fund's style-specific benchmark appropriate for comparison, returned 1.99%^{*}.

^{*} Returns less than 1 year are not annualized.

[†] See footnote 3 on page 52.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index[®] (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- Within mortgage-backed securities (MBS), Federal National Mortgage Association (FNMA, or Fannie Mae) and Federal Home Loan Mortgage Corporation (FHLMC, or Freddie Mac) securities outperformed Government National Mortgage Association (GNMA, or Ginnie Mae) securities.

What factors affected the Fund's performance during its fiscal period?

- The primary driver of the Fund's underperformance was an underweight position in 30-year 3.0% and 3.5% coupon MBS throughout the fiscal period. These securities continued to benefit from Fed balance sheet reinvestment.
- The secondary driver of the underperformance was a 4% overweight to GNMA later in the fiscal period.
- The primary positive contributor to performance was a general underweight to GNMA securities, which underperformed FNMA and FHLMC securities.
- The Fund's allocation to commercial MBS was also a positive contributor to performance, as that sub-sector significantly outperformed residential MBS. The excess return of commercial MBS versus a duration-equivalent U.S. Treasury bond was 1.58%, while it was 0.52% for residential MBS.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix U.S. Mortgage Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

Prospectus: For additional information on risks, please see the fund's prospectus.

U.S. Government Guarantees: U.S. Government guarantees apply only to the underlying securities of a fund's portfolio and not a fund's shares.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Mortgage-Backed Securities	95%
Agency	91%
Non-Agency	4
Money Market Mutual Fund	3
U.S. Government Security	<u>2</u>
Total	100%

Virtus Seix U.S. Mortgage Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV^{2,3}	2.16 %	1.69%	3.50%
Class A Shares at POP^{4,5}	(0.13)	1.23	3.26
Class C Shares at NAV and with CDSC^{2,3,5}	1.43	0.92	2.69
Class I Shares at NAV^{2,3}	2.28	1.89	3.70
Bloomberg Barclays U.S. Mortgage Backed Securities Index	2.47	2.04	3.84

Fund Expense Ratios⁶: A Shares: Gross 1.18%, Net 0.91%; C Shares: Gross 1.93%, Net 1.66%; I Shares: Gross 1.09%, Net 0.71%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ Total Return for the report period presented in the table differs from the return in the Financial Highlights. The total return presented in the above table is calculated based on the NAV at which shareholder transactions were processed. The total return presented in the Financial Highlights section of the report is calculated in the same manner, but also takes into account certain adjustments that are necessary under generally accepted accounting principals required in the annual report and semiannual report.

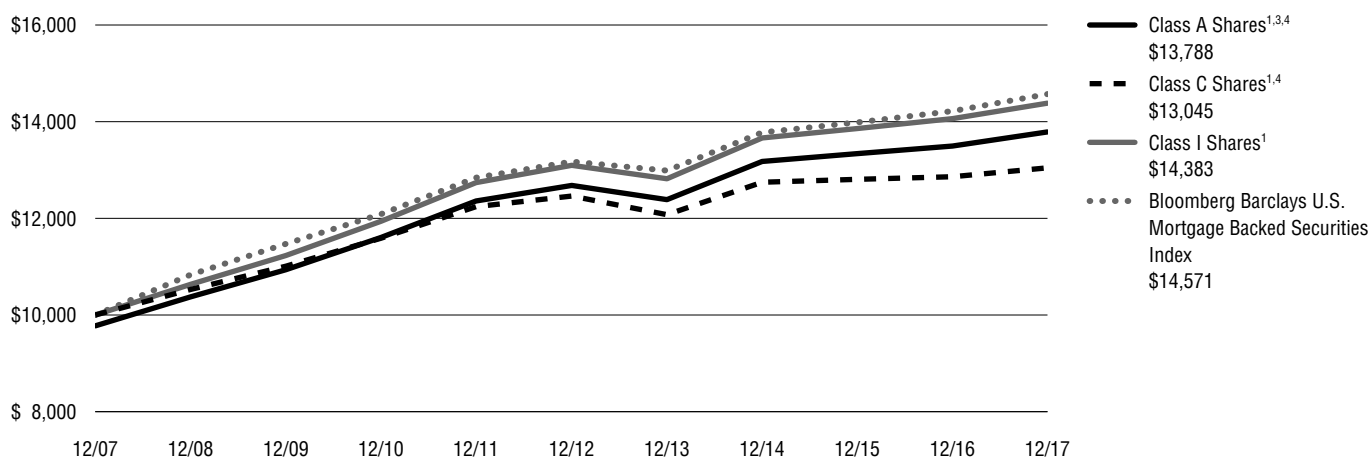
⁴ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.25% sales charge.

⁵ "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 certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁶ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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

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

Virtus Seix Ultra-Short Bond Fund

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking to maximize current income consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 1.21%*. For the same period, the Bloomberg Barclays 3-6 Month U.S. Treasury Bill Index, the Fund's style-specific benchmark appropriate for comparison, returned 0.74%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

- Amid a continued easing of financial conditions and benign inflation data, the Federal Reserve (the Fed) hiked interest rates three times, matching the forecast implied in its Summary of Economic Projections from December 2016. This put upward pressure on short- to intermediate-term U.S. Treasury yields relative to longer-term yields.
- While the early consensus called for U.S. dollar strength, the currency found itself under pressure for most of the year, and the general international value of the U.S. Dollar Index® (DXY) declined just under 10% in 2017. Despite such weakness, foreign investors continued to invest in the U.S. market as it remained the high yielder among developed markets globally.
- Global central bank liquidity continued to expand at a double-digit pace despite Fed rate hikes and the commencement of a balance sheet reduction strategy in the fourth quarter of 2017. This further fueled a reach for yield by investors globally.
- Anchored longer-term interest rates, in tandem with the well-telegraphed and measured Fed tightening cycle, allowed volatility across both bond and equity markets to probe record lows. This created a backdrop for risk assets to outperform fairly consistently throughout the fiscal nine-month period.
- As a result of the Fed rate hikes, three-month Treasury bill rates increased 0.88% to 1.38%, six-month Treasury rates increased 0.92% to 1.53%, and one-month London Interbank Offered Rate (LIBOR) increased 0.79% to 1.56%.

What factors affected the Fund's performance during its fiscal period?

- The primary driver of the Fund's outperformance was keeping interest rate risk near the low end of the range for the fiscal nine-month period. An allocation to floating rate securities also contributed positively, given the rising short rate environment.
- A secondary driver of outperformance was the Fund's consistent allocation to the spread sectors – corporate credit and securitized assets – as spreads generally tightened during the period.
- Corporate financial exposure was a detractor from performance, as it was the weakest performer among the spread sectors.
- Certain agency adjustable-rate mortgage (ARM) exposure was also a relative detractor due to the ability of the securities to be called, which has the effect of limiting price appreciation.

The preceding information is the opinion of portfolio management only through the end of the period stated on the cover. 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.

Virtus Seix Ultra-Short Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Foreign & Emerging Markets: Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

Mortgage-Backed Investments: Mortgage-backed investments involve risk of loss due to prepayments and, like any bond, due to default. Because of the sensitivity of mortgage-related securities to changes in interest rates, a fund's performance may be more volatile than if it did not hold these securities.

Portfolio Turnover: The Fund's principal investment strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

Prospectus: For additional information on risks, please see the fund's prospectus.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Corporate Bonds And Notes	47%
Financials	14%
Consumer Discretionary	9
Consumer Staples	5
Information Technology	4
Health Care	4
Energy	3
Materials	3
Industrials	3
Utilities	2
Mortgage-Backed Securities	39
Agency	30
Non-Agency	9
Asset-Backed Securities	11
Credit Card	6
Automobiles	3
Equipment	2
Money Market Mutual Fund	3
Total	100%

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

Virtus Seix Ultra-Short Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class I Shares at NAV²	1.62%	0.92%	1.55%
Bloomberg Barclays 3-6 Month U.S. Treasury Bill Index	0.85	0.33	0.55

Fund Expense Ratios³: I Shares: Gross 0.60%, Net 0.42%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

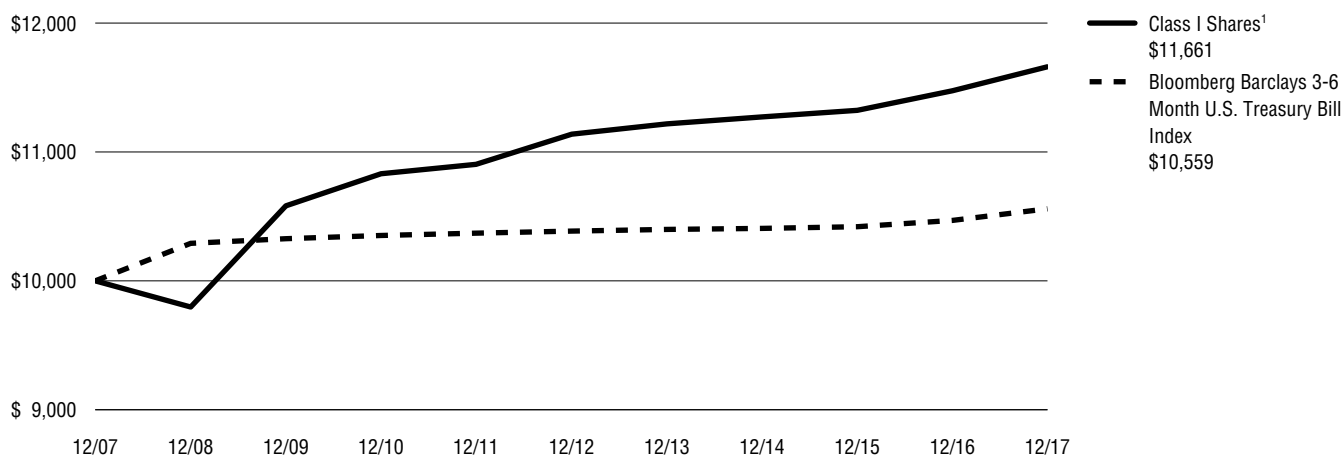
¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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Virtus Seix Virginia Intermediate Municipal Bond Fund

Ticker Symbols:
Class A: CVIAX
Class I: CRVTX

Fund Summary (Unaudited)

Portfolio Manager Commentary by Seix Investment Advisors LLC

The Fund is diversified and has an investment objective of seeking current income exempt from federal and state income taxes for Virginia residents consistent with capital preservation. *There is no guarantee that the Fund will meet its objective.*

Effective October 1, 2017 the Fund changed its fiscal year end from March 31 to December 31. As a result, the commentary addresses nine months of performance from April 1, 2017 to December 31, 2017.

For the fiscal period April 1 through December 31, 2017, the Fund's Class A shares at NAV returned 2.80%* and Class I shares returned 2.91%*. For the same period, the Bloomberg Barclays U.S. Municipal Bond 1-15 Year Blend (1-17) Index, the Fund's style-specific benchmark appropriate for comparison, returned 2.74%*.

* Returns less than 1 year are not annualized.

All performance figures assume reinvestment of distributions and exclude the effect of sales charges. Performance data quoted represents past results. Past performance is no guarantee of future results, and current performance may be higher or lower than the performance shown above. Investment return and principal value will fluctuate so your shares, when redeemed, may be worth more or less than their original cost. Please visit Virtus.com for performance data current to the most recent month-end.

How did the markets perform during the nine-month fiscal period ended December 31, 2017?

For the fiscal nine months ended December 31, 2017, the municipal market was supported by reduced primary issuance and sustained demand. Risk premiums remained narrow despite headwinds in select sectors such as health care and local general obligation debt, making caution prudent and fundamental research indispensable for security selection.

Volatility was low for most of the period before moving higher in November and December 2017 as the Tax Cuts and Jobs Act of 2017 (TCJA) was debated and ultimately signed into law. The TCJA eliminates the ability of municipal issuers to engage in tax-exempt advance refunding of existing debt. Refunding activity has accounted for 35% to 55% of primary market debt issuance over the past 10 years. Private activity bond issuance was ultimately preserved for charitable organizations known as 501(c)(3) entities, despite being threatened in earlier versions of the bill. December 2017 witnessed record primary market activity as issuers scrambled to come to market given the above concerns.

Among AAA-rated municipal bonds, five-year yields rose 0.13% while 10- and 30-year yields fell 0.27% and 0.51%, respectively, over the nine months (according to Municipal Market Data-Line®). Total returns generally increased as credit quality decreased and maturities grew longer. Leasing and health care provided the best relative performance among the larger sectors of the Bloomberg Barclays Municipal Bond Index as the quest for incremental income endured.

What factors affected the Fund's performance during its fiscal period?

An overweight to bonds with 17-year and longer final maturities assisted performance relative to the benchmark, while an underweight position in two- to six-year bonds detracted.

The Fund's overweights to the special tax and leasing sectors positively impacted performance, while an underweight position in state and local general obligation bonds was detrimental.

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Virtus Seix Virginia Intermediate Municipal Bond Fund

Bonds: Bonds offer a relatively stable level of income, although bond prices will fluctuate providing the potential for principal gain or loss. Intermediate-term, higher-quality bonds generally offer less risk than longer-term bonds and a lower rate of return. Generally, a fund's fixed income securities will decrease in value if interest rates rise and vice versa.

Derivatives: Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

Geographic Concentration: A fund that focuses its investments in a particular geographic location will be highly sensitive to financial, economic, political, and other developments affecting the fiscal stability of that location.

Municipal Market: Events negatively impacting a municipal security, or the municipal bond market in general, may cause the fund to decrease in value.

Prospectus: For additional information on risks, please see the fund's prospectus.

State & AMT Tax: A portion of income may be subject to some state and/or local taxes and, for certain investors, a portion may be subject to the federal alternative minimum tax.

Asset Allocation

The following table presents asset allocations within certain sectors and as a percentage of total investments as of December 31, 2017

Municipal Bonds	94%
General Revenue	37%
Water & Sewer Revenue	14
Healthcare Revenue	11
Transportation Revenue	10
Lease Revenue	9
General Obligation	8
Pre-Refunded	5
Money Market Mutual Fund	<u>6</u>
Total	100%

Virtus Seix Virginia Intermediate Municipal Bond Fund

Average Annual Total Returns¹ for periods ended 12/31/17

	1 Year	5 Years	10 Years
Class A Shares at NAV²	3.86%	2.04%	3.44%
Class A Shares at POP^{3,4}	1.01	1.47	3.15
Class I Shares at NAV²	4.00	2.17	3.58
Bloomberg Barclays U.S. Municipal Bond 1-15 Year Blend (1-17) Index	4.33	2.46	3.99

Fund Expense Ratios⁵: A Shares: Gross 0.95%, Net 0.80%; I Shares: Gross 0.87%, Net 0.66%.

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 shares. Please visit Virtus.com for performance data current to the most recent month-end.

¹ Total returns are historical and include changes in share price and the reinvestment of both dividends and capital gain distributions.

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

³ "POP" (Public Offering Price) total returns include the effect of the maximum front-end 2.75% sales charge.

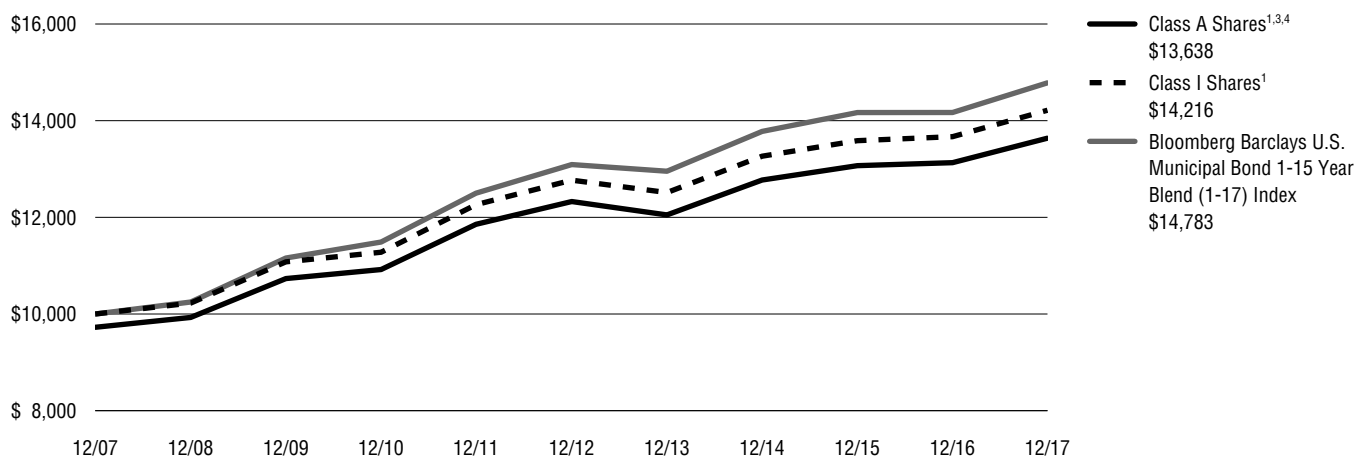
⁴ "CDSC" (contingent deferred sales charge) is applied to redemptions of certain classes of shares that do not have a sales charge applied at the time of purchase.

CDSC charges for certain redemptions of Class A shares made within 18 months of a finder's fee being paid and all Class C shares are 1% within the first year and 0% thereafter.

⁵ The expense ratios of the Fund are set forth according to the prospectus for the Fund effective June 23, 2017, as supplemented and revised, and may differ from the expense ratios disclosed in the Financial Highlight tables in this report. See the Financial Highlights for more current expense ratios. Expenses reduced by a contractual fee waiver in effect through July 31, 2019. Gross Expense: Does not reflect the effect of the fee waiver. Expense ratios include fees and expenses associated with the underlying funds.

Growth of \$10,000 For periods ended 12/31

This chart assumes an initial hypothetical investment of \$10,000 made on December 31, 2007. Total return is based on net change in the Net Asset Value ("NAV") assuming reinvestment of distributions. Returns shown on this page include reinvestment of all dividends and other distributions.



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VIRTUS SEIX CORE BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
U.S. GOVERNMENT SECURITIES—46.9%			Agency—continued		
U.S. Treasury Bond			Pool #Q40124	\$ 707	\$ 731
2.750%, 8/15/47	\$14,729	\$ 14,731	3.500%, 4/1/46		
U.S. Treasury Note			Pool #V81992		
0.750%, 8/15/19	13,866	13,619	4.000%, 10/1/45	1,313	1,374
1.375%, 4/30/20	14,581	14,399	Federal National Mortgage Association		
2.000%, 5/31/21	14,794	14,768	Pool #AL0215		
1.875%, 1/31/22	7,315	7,238	4.500%, 4/1/41	621	666
1.875%, 7/31/22	6,716	6,624	Pool #AL6223		
2.250%, 11/15/27	23,118	22,785	4.500%, 8/1/44	656	699
			Pool #AL7497		
TOTAL U.S. GOVERNMENT SECURITIES		94,164	3.500%, 9/1/40	2,008	2,074
(Identified Cost \$94,552)			Pool #AL9127		
			4.000%, 10/1/44	1,545	1,630
MORTGAGE-BACKED SECURITIES—27.7%			Pool #AP7874		
Agency—21.9%			3.500%, 10/1/42	174	179
Federal Home Loan Mortgage Corporation			Pool #AS6515		
Pool #A95085			4.000%, 1/1/46	1,048	1,097
4.000%, 11/1/40	257	270	Pool #AS9571		
Pool #A95796			3.500%, 5/1/42	2,017	2,083
4.000%, 12/1/40	92	97	Pool #AV3452		
Pool #A95822			4.000%, 2/1/44	533	559
4.000%, 12/1/40	445	470	Pool #AW8154		
Pool #C04123			3.500%, 1/1/42	1,022	1,057
4.000%, 7/1/42	756	797	Pool #AY2685		
Pool #G01779			4.500%, 1/1/45	84	89
5.000%, 4/1/35	100	108	Pool #AZ0572		
Pool #G01837			3.000%, 6/1/42	414	417
5.000%, 7/1/35	44	48	Pool #AZ9213		
Pool #G01838			4.000%, 10/1/45	1,137	1,197
5.000%, 7/1/35	21	23	Pool #BA6414		
Pool #G05326			3.000%, 12/1/41	201	202
5.000%, 2/1/38	93	101	Pool #BC2470		
Pool #G05606			3.500%, 2/1/46	467	484
4.500%, 7/1/39	1,207	1,288	Pool #BE5050		
Pool #G06061			4.000%, 9/1/45	926	970
4.000%, 10/1/40	310	328	Pool #MA0639		
Pool #G08347			4.000%, 2/1/41	186	195
4.500%, 6/1/39	106	113	Pool #MA2341		
Pool #G08353			4.500%, 6/1/45	47	50
4.500%, 7/1/39	137	146	Government National Mortgage Association		
Pool #G08372			Pool #783653		
4.500%, 11/1/39	406	434	5.000%, 8/15/40	112	121
Pool #G60019			Pool #AM0226		
4.500%, 3/1/44	1,430	1,525	4.000%, 5/15/45	770	804
Pool #G60126			Pool #AM8631		
4.500%, 11/1/41	39	42	4.000%, 7/15/45	499	521
Pool #G60589			Pool #AN5745		
4.000%, 2/1/45	1,337	1,399	4.000%, 7/15/45	580	606
Pool #G60661			Pool #AN5766		
4.000%, 7/1/46	2,848	2,980	4.000%, 7/15/45	252	263
Pool #Q13801			Pool #AV6530		
3.000%, 12/1/42	189	190	4.000%, 8/20/46	248	259
Pool #Q31645			Pool #MA4072		
4.000%, 2/1/45	111	117	5.000%, 11/20/46	321	344
Pool #Q35611			Pool #MA4779		
4.000%, 9/1/45	1,038	1,090	4.000%, 10/20/47	2,312	2,422
Pool #Q37163			Pool #MA4838		
3.500%, 11/1/45	574	593	4.000%, 11/20/47	5,466	5,730
Pool #Q38473					
4.000%, 1/1/46	702	734			
Pool #Q40123					
3.500%, 4/1/46	568	587			

See Notes to Financial Statements.

VIRTUS SEIX CORE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Agency—continued					
Pool #MA4901					
4.000%, 12/20/47	\$ 3,532	\$ 3,703			
		44,006			
Non-Agency—5.8%					
Caesars Palace Las Vegas Trust 2017-VICI, B 144A					
3.835%, 10/15/34 ⁽¹⁾	565	579			
FREMF Mortgage Trust					
2012-K21, B 144A					
3.938%, 7/25/45 ⁽¹⁾⁽²⁾	585	611			
2013-K25, B 144A					
3.619%, 11/25/45 ⁽¹⁾⁽²⁾	740	755			
2013-K713, B 144A					
3.165%, 4/25/46 ⁽¹⁾⁽²⁾	480	482			
2016-K52, B 144A					
3.922%, 1/25/49 ⁽¹⁾⁽²⁾	485	497			
GS Mortgage Securities Trust					
2010-C1, A2 144A					
4.592%, 8/10/43 ⁽¹⁾	1,011	1,054			
2012-ALOH, A 144A					
3.551%, 4/10/34 ⁽¹⁾	905	933			
2012-BWTR, A 144A					
2.954%, 11/5/34 ⁽¹⁾	815	812			
2012-BWTR, B 144A					
3.255%, 11/5/34 ⁽¹⁾	1,195	1,204			
MAD Mortgage Trust 2017-330M, A 144A					
3.294%, 8/15/34 ⁽¹⁾⁽²⁾	485	488			
Morgan Stanley Capital I Trust					
2014-150E, A 144A					
3.912%, 9/9/32 ⁽¹⁾	280	294			
2014-CPT, A 144A					
3.350%, 7/13/29 ⁽¹⁾	770	788			
2014-CPT, AM 144A					
3.402%, 7/13/29 ⁽¹⁾⁽²⁾	615	626			
VNDO Mortgage Trust 2013-PENN, B 144A					
3.947%, 12/13/29 ⁽¹⁾⁽²⁾	1,125	1,156			
WFRBS Commercial Mortgage Trust					
2012-C10, AS					
3.241%, 12/15/45	600	601			
2012-C6, AS					
3.835%, 4/15/45	638	660			
		11,540			
TOTAL MORTGAGE-BACKED SECURITIES					
(Identified Cost \$55,566)		55,546			
ASSET-BACKED SECURITIES—5.1%					
Automobiles—0.5%					
Ford Credit Auto Owner Trust 2014-2, A 144A					
2.310%, 4/15/26 ⁽¹⁾	1,060	1,062			
Credit Card—3.8%					
Cabela's Credit Card Master Note Trust 2014-2, A (1 month LIBOR + 0.450%)					
1.927%, 7/15/22 ⁽²⁾	845	848			
Capital One Multi-Asset Execution Trust					
2005-B3, B3 (3 month LIBOR + 0.550%)					
1.909%, 5/15/28 ⁽²⁾	396	389			
2017-A5, A5 (1 month LIBOR + 0.580%)					
2.057%, 7/15/27 ⁽²⁾	1,330	1,340			
Credit Card—continued					
Citibank Credit Card Issuance Trust 2017-A6, A6 (1 month LIBOR + 0.770%)					
2.242%, 5/14/29 ⁽²⁾			\$ 1,405	\$ 1,418	
Discover Card Execution Note Trust 2017-A5, A5 (1 month LIBOR + 0.600%)					
2.077%, 12/15/26 ⁽²⁾			1,830	1,850	
Master Credit Card Trust II 2017-1A, A 144A					
2.260%, 7/21/21 ⁽¹⁾			960	960	
World Financial Network Credit Card Master Trust					
2017-C, A					
2.310%, 8/15/24			795	792	
				7,597	
Other—0.8%					
Five Guys Funding LLC 2017-1A, A2 144A					
4.600%, 7/25/47 ⁽¹⁾			698	717	
Taco Bell Funding LLC 2016-1A, A2II 144A					
4.377%, 5/25/46 ⁽¹⁾			173	178	
Verizon Owner Trust 2017-1A, A 144A					
2.060%, 9/20/21 ⁽¹⁾			760	758	
				1,653	
TOTAL ASSET-BACKED SECURITIES					
(Identified Cost \$10,233)					
					10,312
CORPORATE BONDS AND NOTES—18.6%					
Consumer Discretionary—0.4%					
General Motors Co.					
5.200%, 4/1/45			835	881	
Consumer Staples—1.2%					
BAT Capital Corp. 144A					
4.540%, 8/15/47 ⁽¹⁾			690	726	
Japan Tobacco, Inc. 144A					
2.100%, 7/23/18 ⁽¹⁾			1,187	1,188	
Molson Coors Brewing Co.					
4.200%, 7/15/46			391	398	
				2,312	
Energy—3.5%					
Andeavor Logistics LP					
4.250%, 12/1/27			210	212	
Baker Hughes a GE Co. LLC 144A					
4.080%, 12/15/47 ⁽¹⁾			668	679	
Boardwalk Pipelines LP					
4.450%, 7/15/27			247	251	
Energy Transfer LP					
5.300%, 4/15/47			590	586	
HollyFrontier Corp.					
5.875%, 4/1/26			891	991	
Nabors Industries, Inc.					
5.500%, 1/15/23			601	581	
Sabine Pass Liquefaction LLC					
4.200%, 3/15/28			894	904	
Schlumberger Holdings Corp.					
144A 3.000%, 12/21/20 ⁽¹⁾			454	460	
144A 4.000%, 12/21/25 ⁽¹⁾			757	795	
Schlumberger Investment SA 144A					
3.300%, 9/14/21 ⁽¹⁾			285	292	

See Notes to Financial Statements.

VIRTUS SEIX CORE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Energy—continued			Health Care—continued		
Shell International Finance BV	\$ 402	\$ 392	Novartis Securities Investment Ltd.	\$ 215	\$ 222
1.750%, 9/12/21			5.125%, 2/10/19		1,619
TechnipFMC plc 144A	127	127			
3.450%, 10/1/22 ⁽¹⁾			Industrials—1.3%		
Transcanada Trust	117	121	ERAC USA Finance LLC 144A	283	302
5.300%, 3/15/77 ⁽²⁾			5.250%, 10/1/20 ⁽¹⁾		
Woodside Finance Ltd. 144A	550	576	Johnson Controls International plc	463	508
4.600%, 5/10/21 ⁽¹⁾		6,967	4.500%, 2/15/47		
			L3 Technologies, Inc.	264	271
Financials—6.4%			3.850%, 12/15/26		
Aviation Capital Group LLC 144A			Rockwell Collins, Inc.	874	890
3.500%, 11/1/27 ⁽¹⁾	696	682	3.500%, 3/15/27		
Bank of America Corp.			United Airlines Pass-Through-Trust 2016-1, A	294	298
3.124%, 1/20/23 ⁽²⁾	1,112	1,128	3.450%, 7/7/28		
3.593%, 7/21/28 ⁽²⁾	522	530	Xylem, Inc.		
Barclays plc			3.250%, 11/1/26	257	256
4.337%, 1/10/28	495	512			2,525
BNP Paribas SA 144A			Information Technology—2.0%		
3.500%, 11/16/27 ⁽¹⁾	912	907	Apple, Inc.		
Citigroup, Inc.			3.000%, 6/20/27	324	323
3.887%, 1/10/28 ⁽²⁾	618	640	Arrow Electronics, Inc.		
Credit Suisse Group AG 144A			3.875%, 1/12/28	280	279
4.282%, 1/9/28 ⁽¹⁾	730	761	NVIDIA Corp.		
Fifth Third Bank			3.200%, 9/16/26	377	378
2.200%, 10/30/20	326	324	Oracle Corp.		
JPMorgan Chase & Co.			2.650%, 7/15/26	1,137	1,108
3.540%, 5/1/28 ⁽²⁾	613	623	TSMC Global Ltd. 144A		
Lazard Group LLC			1.625%, 4/3/18 ⁽¹⁾	1,673	1,670
3.750%, 2/13/25	868	885	VMware, Inc.		
Morgan Stanley			3.900%, 8/21/27	324	327
3.591%, 7/22/28 ⁽²⁾	467	471			4,085
4.375%, 1/22/47	535	586	Materials—1.0%		
Nationwide Financial Services, Inc. 144A			Barrick PD Australia Finance Pty Ltd.		
5.375%, 3/25/21 ⁽¹⁾	556	599	5.950%, 10/15/39	752	937
Northwestern Mutual Life Insurance Co. (The) 144A			Newmont Mining Corp.		
3.850%, 9/30/47 ⁽¹⁾	150	152	6.250%, 10/1/39	851	1,088
PNC Bank NA					2,025
2.150%, 4/29/21	715	709	Real Estate—0.7%		
Royal Bank of Scotland Group plc			Boston Properties LP		
3.875%, 9/12/23	1,099	1,117	3.650%, 2/1/26	319	324
SMBC Aviation Capital Finance DAC 144A			Digital Realty Trust LP		
3.000%, 7/15/22 ⁽¹⁾	638	632	3.950%, 7/1/22	627	655
UBS AG 144A			4.750%, 10/1/25	362	393
2.450%, 12/1/20 ⁽¹⁾	425	424			1,372
US Bank NA			Telecommunication Services—1.0%		
2.050%, 10/23/20	374	371	AT&T, Inc.		
Wells Fargo & Co.			2.375%, 11/27/18	532	534
3.069%, 1/24/23	894	901	4.350%, 6/15/45	1,247	1,149
		12,954			
Health Care—0.8%					
Eli Lilly & Co.					
3.950%, 5/15/47	450	483			
Howard Hughes Medical Institute					
3.500%, 9/1/23	334	350			
Medtronic, Inc.					
3.500%, 3/15/25	146	151			
4.625%, 3/15/45	355	413			

See Notes to Financial Statements.

VIRTUS SEIX CORE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value
Telecommunication Services—continued		
Verizon Communications, Inc. 5.012%, 4/15/49	\$ 303	\$ 318
		2,001
Utilities—0.3%		
Duke Energy Corp. 3.750%, 9/1/46	617	610
TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$35,928)		37,351
TOTAL LONG-TERM INVESTMENTS—98.3% (Identified Cost \$196,279)		197,373
	Shares	
SHORT-TERM INVESTMENT—2.5%		
MONEY MARKET MUTUAL FUND—2.5%		
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽³⁾	5,044,056	5,044
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$5,044)		5,044
TOTAL INVESTMENTS—100.8% (Identified Cost \$201,323)		\$202,417
Other assets and liabilities, net—(0.8)%		(1,523)
NET ASSETS—100.0%		\$200,894

Abbreviation:

LIBOR London Interbank Offered Rate

Footnote Legend:

- ⁽¹⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$24,926 or 12.4% of net assets.
- ⁽²⁾ Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- ⁽³⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Country Weightings (Unaudited)[†]

United States	94%
United Kingdom	1
Taiwan	1
Australia	1
Japan	1
Switzerland	1
Ireland	1
Total Investments	100%

[†] % of total investments as of December 31, 2017

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	\$ 10,312	\$ —	\$ 10,312	\$—
Corporate Bonds And Notes	37,351	—	37,351	—
Mortgage-Backed Securities	55,546	—	55,546	—
U.S. Government Securities	94,164	—	94,164	—
Short-Term Investment	5,044	5,044	—	—
Total Investments	\$202,417	\$5,044	\$197,373	\$—

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX CORPORATE BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
FOREIGN GOVERNMENT SECURITY—2.6%					
Argentine Republic					
7.500%, 4/22/26	\$355	\$ 402			
<hr/>					
TOTAL FOREIGN GOVERNMENT SECURITY		402			
(Identified Cost \$384)					
<hr/>					
CORPORATE BONDS AND NOTES—96.3%					
Consumer Discretionary—6.5%					
General Motors Co.					
5.200%, 4/1/45	197	208			
Hasbro, Inc.					
3.500%, 9/15/27	320	313			
Home Depot, Inc. (The)					
2.625%, 6/1/22	185	186			
Newell Brands, Inc.					
4.200%, 4/1/26	280	292			
		<u>999</u>			
<hr/>					
Consumer Staples—1.4%					
BAT Capital Corp. 144A					
4.540%, 8/15/47 ⁽¹⁾	197	207			
<hr/>					
Energy—24.3%					
Andeavor Logistics LP					
4.250%, 12/1/27	232	234			
Baker Hughes a GE Co. LLC 144A					
4.080%, 12/15/47 ⁽¹⁾	199	202			
Boardwalk Pipelines LP					
4.450%, 7/15/27	97	99			
BP Capital Markets plc					
2.112%, 9/16/21	470	464			
Chevron Corp.					
1.686%, 2/28/19	80	80			
Energy Transfer LP					
5.300%, 4/15/47	169	168			
Enesco plc					
4.500%, 10/1/24	161	135			
5.200%, 3/15/25	116	99			
5.750%, 10/1/44	116	79			
Exxon Mobil Corp.					
1.912%, 3/6/20	80	79			
HollyFrontier Corp.					
5.875%, 4/1/26	266	296			
Nabors Industries, Inc.					
5.500%, 1/15/23	220	213			
Sabine Pass Liquefaction LLC					
4.200%, 3/15/28	258	261			
Schlumberger Holdings Corp.					
144A 3.000%, 12/21/20 ⁽¹⁾	162	164			
144A 4.000%, 12/21/25 ⁽¹⁾	257	270			
Shell International Finance BV					
2.000%, 11/15/18	190	190			
1.750%, 9/12/21	123	120			
2.500%, 9/12/26	245	237			
TechnipFMC plc 144A					
3.450%, 10/1/22 ⁽¹⁾	55	55			
<hr/>					
Energy—continued					
Transcanada Trust					
5.300%, 3/15/77	\$252	\$ 260			
					<u>3,705</u>
<hr/>					
Financials—34.3%					
Aviation Capital Group LLC 144A					
3.500%, 11/1/27 ⁽¹⁾	209	205			
Bank of America Corp.					
3.124%, 1/20/23	374	379			
3.593%, 7/21/28	226	230			
Barclays plc					
4.337%, 1/10/28	200	207			
BNP Paribas SA 144A					
3.500%, 11/16/27 ⁽¹⁾	270	269			
Citigroup, Inc.					
3.887%, 1/10/28	239	247			
Credit Suisse Group AG 144A					
4.282%, 1/9/28 ⁽¹⁾	252	263			
Jefferies Group LLC					
4.850%, 1/15/27	306	325			
John Deere Capital Corp.					
1.950%, 3/4/19	80	80			
JPMorgan Chase & Co.					
3.540%, 5/1/28	300	305			
Lazard Group LLC					
4.250%, 11/14/20	234	244			
3.750%, 2/13/25	296	302			
Manufacturers & Traders Trust Co.					
3.400%, 8/17/27	250	253			
Morgan Stanley					
2.625%, 11/17/21	190	189			
3.591%, 7/22/28	123	124			
4.375%, 1/22/47	153	167			
Northwestern Mutual Life Insurance Co. (The) 144A					
3.850%, 9/30/47 ⁽¹⁾	216	219			
PNC Bank NA					
2.150%, 4/29/21	250	248			
Royal Bank of Scotland Group plc					
3.875%, 9/12/23	200	203			
SMBC Aviation Capital Finance DAC 144A					
3.000%, 7/15/22 ⁽¹⁾	227	225			
UBS AG 144A					
2.450%, 12/1/20 ⁽¹⁾	200	199			
Wells Fargo & Co.					
3.069%, 1/24/23	351	353			
					<u>5,236</u>
<hr/>					
Health Care—3.6%					
Eli Lilly & Co.					
3.950%, 5/15/47	136	146			
Medtronic, Inc.					
3.500%, 3/15/25	63	65			
4.625%, 3/15/45	107	125			
Roche Holdings, Inc. 144A					
2.250%, 9/30/19 ⁽¹⁾	216	216			
					<u>552</u>
<hr/>					
Industrials—4.1%					
Johnson Controls International plc					
4.500%, 2/15/47	149	164			

See Notes to Financial Statements.

VIRTUS SEIX CORPORATE BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Industrials—continued					
L3 Technologies, Inc. 3.850%, 12/15/26	\$ 97	\$ 100			
Rockwell Collins, Inc. 3.500%, 3/15/27	249	253			
United Airlines Pass-Through-Trust 2016-1, A 3.450%, 7/7/28	110	111			
		628			
Information Technology—9.1%					
Apple, Inc. 3.000%, 6/20/27	380	378			
Arrow Electronics, Inc. 3.875%, 1/12/28	93	93			
Intel Corp. 2.450%, 7/29/20	80	81			
Microsoft Corp. 1.100%, 8/8/19	80	79			
NVIDIA Corp. 3.200%, 9/16/26	118	118			
TSMC Global Ltd. 144A 1.625%, 4/3/18 ⁽¹⁾	200	200			
VMware, Inc. 2.300%, 8/21/20	335	333			
	112	113			
		1,395			
Materials—2.3%					
Barrick PD Australia Finance Pty Ltd. 5.950%, 10/15/39	160	200			
Newmont Mining Corp. 6.250%, 10/1/39	119	152			
		352			
Real Estate—5.3%					
American Campus Communities Operating Partnership LP 3.625%, 11/15/27	326	322			
Digital Realty Trust LP 3.950%, 7/1/22	220	230			
	101	110			
Simon Property Group LP 3.375%, 12/1/27	145	146			
		808			
Telecommunication Services—3.0%					
AT&T, Inc. 4.350%, 6/15/45	381	351			
Verizon Communications, Inc. 5.012%, 4/15/49	96	101			
		452			
Utilities—2.4%					
Duke Energy Corp. 3.750%, 9/1/46	167	165			
Utilities—continued					
FirstEnergy Transmission LLC 144A 5.450%, 7/15/44 ⁽¹⁾			\$166	\$ 197	
				362	
TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$14,373)					
14,696					
TOTAL LONG-TERM INVESTMENTS—98.9% (Identified Cost \$14,757)					
15,098					
Shares					
SHORT-TERM INVESTMENT—2.8%					
MONEY MARKET MUTUAL FUND—2.8%					
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽²⁾			431,414	431	
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$431)					
431					
TOTAL INVESTMENTS—101.7% (Identified Cost \$15,188)					
\$15,529					
Other assets and liabilities, net—(1.7%)					
(266)					
NET ASSETS—100.0%					
\$15,263					
Footnote Legend:					
⁽¹⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933.					
These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$2,891 or 18.9% of net assets.					
⁽²⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.					
Country Weightings (Unaudited)[†]					
United States				74%	
United Kingdom				8	
Netherlands				4	
Switzerland				3	
Argentina				3	
Ireland				2	
France				2	
Other				4	
Total Investments				100%	
[†] % of total investments as of December 31, 2017					

See Notes to Financial Statements.

VIRTUS SEIX CORPORATE BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Corporate Bonds And Notes	\$14,696	\$ —	\$14,696	\$—
Foreign Government Security	402	—	402	—
Short-Term Investment	431	431	—	—
Total Investments	<u>\$15,529</u>	<u>\$431</u>	<u>\$15,098</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
ASSET-BACKED SECURITIES—0.1%					
Collateralized Loan Obligations—0.1%					
Neuberger Berman CLO XIV Ltd. 2013-14A, ER (3 month LIBOR + 6.450%) 144A 7.828%, 1/28/30 ⁽¹⁾⁽²⁾	\$ 3,000	\$ 3,032			
Trinitas CLO VII Ltd. 2017-7A, D (3 month LIBOR + 3.500%) 144A 5.198%, 1/25/31 ⁽¹⁾⁽²⁾⁽³⁾	1,000	1,000			
2017-7A, E (3 month LIBOR + 6.280%) 144A 7.978%, 1/25/31 ⁽¹⁾⁽²⁾⁽³⁾	3,000	2,910			
		6,942			
TOTAL ASSET-BACKED SECURITIES (Identified Cost \$6,814)		6,942			
CORPORATE BONDS AND NOTES—3.7%					
Consumer Discretionary—0.2%					
CCO Holdings LLC 144A 5.125%, 5/1/27 ⁽¹⁾⁽⁴⁾	1,000	985			
Intelsat Jackson Holdings SA 7.250%, 10/15/20 ⁽⁴⁾	2,300	2,162			
Lions Gate Entertainment Corp. 144A 5.875%, 11/1/24 ⁽¹⁾⁽⁴⁾	1,650	1,743			
MGM Resorts International 7.750%, 3/15/22	5,019	5,722			
Motors Liquidation Co. Escrow 7.200%, 2/15/40 ⁽⁵⁾⁽⁶⁾	10,000	—			
8.375%, 2/15/40 ⁽⁵⁾⁽⁶⁾	10,000	—			
Weight Watchers International, Inc. 144A 8.625%, 12/1/25 ⁽¹⁾	1,300	1,358			
		11,970			
Consumer Staples—0.2%					
Rite Aid Corp. 144A 6.125%, 4/1/23 ⁽¹⁾	3,000	2,707			
US Foods, Inc. 144A 5.875%, 6/15/24 ⁽¹⁾	8,000	8,400			
		11,107			
Energy—0.6%					
Glenn Pool Oil 4.150%, 2/15/40 ⁽³⁾	36,828	35,539			
Financials—0.5%					
Ally Financial, Inc. 7.500%, 9/15/20 ⁽⁴⁾	6,000	6,645			
CSC Holdings LLC 144A 10.125%, 1/15/23 ⁽¹⁾	2,000	2,253			
Nationstar Mortgage LLC 7.875%, 10/1/20	5,517	5,634			
Navient Corp. 8.000%, 3/25/20 ⁽⁴⁾	10,000	10,812			
VICI Properties 1 LLC 8.000%, 10/15/23 ⁽⁴⁾	3,565	3,983			
Financials—continued					
Walter Investment Management Corp. 7.875%, 12/15/21 ⁽⁶⁾	\$ 4,000	\$ 2,420			31,747
Health Care—0.2%					
HCA Healthcare, Inc. 6.250%, 2/15/21 ⁽⁴⁾	5,000	5,300			
Valeant Pharmaceuticals International, Inc. 144A 7.500%, 7/15/21 ⁽¹⁾⁽⁴⁾	5,000	5,094			10,394
Industrials—0.6%					
Bombardier, Inc. 144A 7.750%, 3/15/20 ⁽¹⁾	7,000	7,525			
Engility Corp. 8.875%, 9/1/24	22,000	23,513			
Harland Clarke Holdings Corp. 144A 8.375%, 8/15/22 ⁽¹⁾	5,000	5,192			36,230
Information Technology—0.2%					
Alliance Data Systems Corp. 144A 5.875%, 11/1/21 ⁽¹⁾⁽⁴⁾	5,000	5,125			
Dell International LLC 144A 7.125%, 6/15/24 ⁽¹⁾	8,000	8,759			
Western Digital Corp. 10.500%, 4/1/24 ⁽⁴⁾	1,000	1,159			15,043
Materials—0.1%					
Reynolds Group Issuer, Inc. 144A 7.000%, 7/15/24 ⁽¹⁾	5,000	5,355			
Real Estate—0.5%					
iStar, Inc. 5.000%, 7/1/19	5,000	5,025			
4.625%, 9/15/20	600	609			
6.500%, 7/1/21	1,400	1,454			
6.000%, 4/1/22	10,000	10,350			
Realogy Group LLC 144A 5.250%, 12/1/21 ⁽¹⁾⁽⁴⁾	5,000	5,188			
Starwood Property Trust, Inc. 5.000%, 12/15/21 ⁽⁴⁾	5,250	5,447			28,073
Telecommunication Services—0.4%					
Altice Luxembourg SA 144A 7.625%, 2/15/25 ⁽¹⁾	6,000	5,745			
Cequel Communications Holdings I LLC 144A 7.750%, 7/15/25 ⁽¹⁾	7,000	7,490			
Trilogy International Partners LLC 144A 8.875%, 5/1/22 ⁽¹⁾	10,000	10,250			23,485
Utilities—0.2%					
Talen Energy Supply LLC 6.500%, 6/1/25	5,000	4,063			
144A 9.500%, 7/15/22 ⁽¹⁾⁽⁴⁾	5,000	5,125			

See Notes to Financial Statements.

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Utilities—continued			Broadcasting—continued		
144A 10.500%, 1/15/26 ⁽¹⁾	\$ 3,500	\$ 3,464	Sinclair Television Group, Inc. (3 month LIBOR + 2.500%)		
		12,652	0.000%, 12/12/24 ⁽⁷⁾	\$ 11,895	\$ 11,873
TOTAL CORPORATE BONDS AND NOTES			Tribune Media Co.		
(Identified Cost \$219,494)		221,595	Tranche B (1 month LIBOR + 3.000%)	1,037	1,038
			4.569%, 12/27/20		
LEVERAGED LOANS⁽²⁾—90.6%			Tranche C (1 month LIBOR + 3.000%)	12,932	12,940
Aerospace—2.3%			4.569%, 1/27/24		
Aerojet Rocketdyne Holdings, Inc. (1 month LIBOR + 2.250%)			Univision Communications, Inc. 2017 (1 month LIBOR + 2.750%)	46,940	46,757
3.819%, 6/17/21	8,481	8,397	4.319%, 3/15/24		94,368
Air Canada (3 month LIBOR + 2.250%)					
3.745%, 10/6/23	12,843	12,902	Cable/Wireless Video—8.1%		
AM General LLC Second Lien (1 month LIBOR + 11.750%)			Altice US Finance I Corp. 2017 (1 month LIBOR + 2.250%)		
13.100%, 1/20/24	7,000	7,297	3.819%, 7/28/25	23,162	23,051
American Airlines, Inc.			Cable One, Inc. Tranche B-1 (3 month LIBOR + 2.250%)	2,492	2,499
2017 (1 month LIBOR + 2.000%)			3.950%, 5/1/24		
3.432%, 10/11/21	5,657	5,660	Charter Communications Operating, LLC Tranche B (3 month LIBOR + 2.000%)	63,655	63,678
2017, Tranche B (1 month LIBOR + 2.000%)			0.000%, 4/30/25 ⁽⁷⁾		
3.477%, 1/15/26	3,465	3,459	Cogeco Communications (USA) II LP Tranche B (3 month LIBOR + 2.375%)	22,085	22,023
Engility Corp.			0.000%, 8/9/24 ⁽⁷⁾		
Tranche B-1 (1 month LIBOR + 2.750%)			Coral US Co-Borrower LLC Tranche B-3 (1 month LIBOR + 3.500%)	39,340	39,358
4.319%, 8/12/20	13,588	13,665	5.069%, 1/31/25		
Tranche B-2 (1 month LIBOR + 3.250%)			GSC Holdings LLC 2017 (1 month LIBOR + 2.250%)	15,572	15,498
5.785%, 8/14/23	15,620	15,757	3.741%, 7/17/25 ⁽⁴⁾		
MB Aerospace Holdings II Corp. (3 month LIBOR + 3.500%)			Intelsat Jackson Holdings SA Tranche B-2 (3 month LIBOR + 2.750%)	22,636	22,561
0.000%, 12/13/24 ⁽⁷⁾	2,075	2,075	4.212%, 6/30/19 ⁽⁴⁾		
Sequa Mezzanine Holdings LLC			Liberty Cablevision of Puerto Rico		
First Lien (3 month LIBOR + 5.000%)			Second Lien (3 month LIBOR + 6.750%)	5,140	4,678
6.549%, 12/7/24	8,277	8,323	8.109%, 7/7/23		
Second Lien (3 month LIBOR + 9.000%)			Tranche B, First Lien (3 month LIBOR + 3.500%)	19,931	19,283
10.374%, 4/28/22 ⁽⁴⁾	2,090	2,108	4.859%, 1/7/22		
StandardAero Aviation Holdings, Inc. (1 month LIBOR + 3.750%)			MCC Iowa LLC Tranche M (weekly LIBOR + 2.000%)	4,992	4,997
5.320%, 7/7/22	24,215	24,376	3.490%, 1/15/25		
Transdigm, Inc.			Mediacom Illinois LLC Tranche K (weekly LIBOR + 2.250%)	12,684	12,724
Tranche E (1 month LIBOR + 2.750%)			3.740%, 2/15/24		
4.319%, 5/16/22	12,469	12,499	Quebecor Media, Inc. Tranche B-1 (3 month LIBOR + 2.250%)		
Tranche F (1 month LIBOR + 2.750%)			3.666%, 8/17/20 ⁽⁴⁾	23,591	23,620
0.000%, 6/9/23 ⁽⁷⁾	8,998	9,009	Radiate Holdco LLC		
Tranche G (1 month LIBOR + 3.000%)			(1 month LIBOR + 3.000%)		
4.662%, 8/22/24	3,326	3,340	0.000%, 2/1/24 ⁽⁷⁾	24,277	24,073
WP CPP Holdings LLC Tranche B-3, First Lien (3 month LIBOR + 3.500%)			(3 month LIBOR + 5.750%)		
4.880%, 12/28/19	8,097	8,082	5.750%, 1/1/30 ⁽³⁾⁽⁴⁾⁽⁸⁾	10,000	10,000
		136,949	Telenet Financing USD LLC (1 month LIBOR + 2.500%)	4,580	4,592
Broadcasting—1.6%			3.918%, 3/2/26		
CBS Radio, Inc. Tranche B-1 (3 month LIBOR + 2.750%)			Unitymedia Finance LLC Tranche B, First Lien (3 month LIBOR + 2.250%)	7,130	7,110
4.172%, 11/18/24	12,053	12,108	0.000%, 1/20/26 ⁽⁷⁾		
Mission Broadcasting, Inc. Tranche B-2 (1 month LIBOR + 2.500%)			UnityMedia Hessen GmbH Tranche B (1 month LIBOR + 2.250%)	20,550	20,558
3.861%, 1/17/24	606	607	3.727%, 9/30/25		
Nexstar Broadcasting, Inc. Tranche B-2 (1 month LIBOR + 2.500%)			UPC Financing Partnership (1 month LIBOR + 2.500%)	20,970	20,953
3.861%, 1/17/24 ⁽⁴⁾	4,799	4,809	3.977%, 1/15/26		
Quincy Newspapers, Inc. Tranche B (3 month PRIME + 2.250%)					
5.785%, 11/2/22	4,225	4,236			

See Notes to Financial Statements.

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Cable/Wireless Video—continued			Chemicals—continued		
Virgin Media Bristol LLC (1 month LIBOR + 2.500%) 3.977%, 1/15/26	\$ 37,345	\$ 37,322	First Lien (3 month LIBOR + 3.000%) 0.000%, 9/23/24 ⁽⁷⁾	\$ 4,558	\$ 4,584
WideOpenWest Finance LLC Tranche B (1 month LIBOR + 3.250%) 4.751%, 8/18/23	29,699	29,393	Univar USA, Inc. Tranche B-3 (1 month LIBOR + 2.500%) 0.000%, 7/1/24 ⁽⁷⁾	5,829	5,848
Ziggo Secured Finance Partnership Tranche E (1 month LIBOR + 2.500%) 3.977%, 4/15/25	79,360	78,666	Vantage Specialty Chemicals, Inc. First Lien (3 month LIBOR + 4.000%) 5.371%, 10/25/24	6,420	6,457
		<u>486,637</u>	Second Lien (3 month LIBOR + 8.250%) 9.621%, 10/20/25	4,050	3,969
			Venator Materials LLC (3 month LIBOR + 3.000%) 4.380%, 8/8/24	5,840	5,884
				<u>244,238</u>	
Chemicals—4.1%			Consumer Durables—0.2%		
Albaugh LLC 2017 (3 month LIBOR + 3.500%) 0.000%, 12/6/24 ⁽⁷⁾	3,745	3,775	American Bath Group LLC (3 month LIBOR + 5.250%) 6.943%, 9/30/23	10,308	10,381
Alpha US Bidco, Inc. Tranche B-1 (3 month LIBOR + 3.000%) 4.693%, 1/31/24	4,239	4,262	WKI Holding Co., Inc. (3 month LIBOR + 4.000%) 5.377%, 4/25/24	4,995	5,014
Ashland LLC Tranche B (1 month LIBOR + 2.000%) 3.571%, 5/17/24	1,667	1,674		<u>15,395</u>	
Axalta Coating Systems US Holdings, Inc. Tranche B-2 (3 month LIBOR + 2.000%) 3.693%, 6/1/24	1,806	1,812	Consumer Nondurables—0.6%		
Emerald Performance Materials LLC First Lien (1 month LIBOR + 3.500%) 5.069%, 8/2/21	1,139	1,147	Alphabet Holding Co., Inc. First Lien (1 month LIBOR + 3.500%) 5.069%, 9/26/24	4,603	4,448
Second Lien (1 month LIBOR + 7.750%) 9.319%, 8/1/22	22,196	22,134	Eastman Kodak Co. (1 month LIBOR + 6.250%) 7.819%, 9/3/19	9,006	7,700
Ferro Corp. (1 month LIBOR + 2.500%) 4.069%, 2/14/24	8,451	8,493	Hercules Achievement, Inc. First Lien (1 month LIBOR + 3.500%) 5.069%, 12/9/24	8,740	8,784
Gemini HDPE LLC (3 month LIBOR + 3.000%) 4.380%, 8/7/24	15,249	15,259	Parfums Holding Co., Inc. First Lien (3 month LIBOR + 4.750%) 6.443%, 6/28/24	3,746	3,773
HB Fuller Co. (1 month LIBOR + 2.250%) 0.000%, 10/20/24 ⁽⁷⁾	19,421	19,473	Prestige Brands, Inc. Tranche B-4 (1 month LIBOR + 2.750%) 4.319%, 1/26/24	9,386	9,441
Ineos Styrolution US Holding LLC 2024 (3 month LIBOR + 2.000%) 3.693%, 3/29/24	11,769	11,791	Recess Holdings, Inc. First Lien (3 month LIBOR + 3.750%) 5.254%, 9/18/24	2,210	2,218
Ineos US Finance LLC 2024 (1 month LIBOR + 2.000%) 3.569%, 3/31/24	63,285	63,285		<u>36,364</u>	
Kraton Polymers LLC (1 month LIBOR + 3.000%) 4.569%, 1/6/22	1,818	1,835	Diversified Media—5.5%		
MacDermid Incorporated Tranche B-6 (1 month LIBOR + 3.000%) 4.569%, 6/7/23	5,485	5,511	A-L Parent LLC First Lien (1 month LIBOR + 3.250%) 4.820%, 12/1/23	2,490	2,505
Macdermid, Inc. Tranche B-7 (1 month LIBOR + 2.500%) 4.069%, 6/8/20	4,974	5,003	ALM Media LLC Tranche B, First Lien (3 month LIBOR + 4.500%) 6.193%, 7/31/20 ⁽³⁾	4,911	4,174
Minerals Technologies, Inc. Tranche B-1 (3 month PRIME + 1.250%) 4.470%, 2/14/24	7,103	7,157	Alpha Topco Ltd. (1 month LIBOR + 3.000%) 4.569%, 2/1/24	5,575	5,602
Tranche B-2 4.750%, 5/7/21 ⁽⁹⁾	16,808	17,018	AP NMT Acquisition BV Tranche B, First Lien (3 month LIBOR + 5.750%) 7.085%, 8/13/21	17,690	17,549
New Arclin US Holding Corp. First Lien (3 month LIBOR + 4.250%) 5.943%, 2/14/24	1,786	1,799	Creative Artists Agency LLC (1 month LIBOR + 3.500%) 4.977%, 2/15/24	11,578	11,632
Oxea Corp. Tranche B-2 (3 month LIBOR + 3.500%) 4.875%, 10/11/24	6,295	6,293	Deluxe Entertainment Services Group, Inc. (3 month LIBOR + 5.500%) 0.000%, 2/28/20 ⁽⁷⁾	20,055	19,604
Trinseo Materials Operating SCA Tranche B (1 month LIBOR + 2.500%) 4.069%, 9/6/24	9,130	9,198	DHX Media Ltd. (1 month LIBOR + 3.750%) 5.319%, 12/29/23 ⁽³⁾	5,826	5,833
Tronox Finance LLC First Lien (3 month LIBOR + 3.000%) 0.000%, 9/23/24 ⁽⁷⁾	10,517	10,577			

See Notes to Financial Statements.

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	Par Value	Value		Par Value	Value
Diversified Media—continued			Energy—continued		
Donnelley Financial Solutions, Inc. 2017 (1 month LIBOR + 3.000%) 4.552%, 9/29/23 ⁽⁴⁾	\$ 2,217	\$ 2,227	EMG Utica LLC (3 month LIBOR + 3.750%) 5.518%, 3/27/20	\$ 18,770	\$ 18,864
Gannett Co., Inc. (1 month LIBOR + 2.000%) 3.560%, 6/29/20 ⁽³⁾⁽⁸⁾	5,000	4,800	Energy Transfer Equity LP (1 month LIBOR + 2.000%) 3.501%, 2/2/24	26,609	26,489
Harland Clarke Holdings Corp. 2017 (3 month LIBOR + 4.750%) 6.443%, 11/3/23	118,022	118,415	FTS International, Inc. (1 month LIBOR + 4.750%) 0.000%, 4/16/21 ⁽⁷⁾	27,398	26,685
Lions Gate Entertainment Corp. Tranche A (1 month LIBOR + 2.000%) 3.569%, 12/8/21	14,250	14,250	Gavilan Resources LLC Second Lien (1 month LIBOR + 6.000%) 7.460%, 3/1/24 ⁽⁴⁾	15,190	15,025
Tranche B-1 (1 month LIBOR + 2.250%) 3.819%, 12/8/23	13,732	13,736	Hi-Crush Partners LP (3 month LIBOR + 4.000%) 0.000%, 12/16/24 ⁽⁷⁾	11,650	11,621
McGraw-Hill Global Education Holdings LLC Tranche B, First Lien (1 month LIBOR + 4.000%) 5.569%, 5/4/22 ⁽⁴⁾	5,733	5,714	KCA Deutag Alpha Ltd. (3 month LIBOR + 5.750%) 7.196%, 5/15/20	13,479	13,154
Merrill Communications LLC (3 month LIBOR + 5.250%) 6.630%, 6/1/22 ⁽⁴⁾	11,005	11,060	Medallion Midland Acquisition LLC (1 month LIBOR + 3.250%) 4.819%, 10/30/24	2,795	2,798
Micro Holding Corp. (3 month LIBOR + 3.750%) 5.338%, 9/13/24	13,397	13,428	Osum Production Corp (3 month LIBOR + 5.500%) 0.000%, 7/31/20 ⁽⁷⁾	2,556	2,147
Tranche B, Second Lien (3 month LIBOR + 7.500%) 9.088%, 8/15/25	1,695	1,697	Philadelphia Energy Solutions Refining & Marketing LLC (3 month PRIME + 4.000%) 8.500%, 4/4/18	11,734	8,742
Nielsen Finance LLC (VNU) Tranche B-4 (1 month LIBOR + 2.000%) 3.432%, 10/4/23	6,033	6,056	Riverstone Utopia Member LLC (2 month LIBOR + 4.250%) 5.611%, 10/17/24	3,775	3,832
Rovi Solutions Corp. Tranche B (3 month LIBOR + 2.500%) 4.070%, 7/2/21	9,215	9,257	Sheridan Investment Partners II LP (3 month LIBOR + 3.500%) 4.980%, 12/16/20	6,130	5,292
William Morris Endeavor Entertainment LLC Second Lien (3 month LIBOR + 7.250%) 8.630%, 5/6/22	16,943	16,943	Sheridan Production Partners II-A LP (3 month LIBOR + 3.500%) 4.980%, 12/16/20	853	736
Tranche B (3 month LIBOR + 3.250%) 4.640%, 5/6/21	44,272	44,449	Sheridan Production Partners II-M LP (3 month LIBOR + 3.500%) 4.980%, 12/16/20	318	275
		<u>328,931</u>	Traverse Midstream Partners LLC (3 month LIBOR + 4.000%) 5.850%, 9/27/24	12,985	13,154
			Ultra Resources, Inc. (3 month LIBOR + 3.000%) 4.413%, 4/12/24 ⁽⁴⁾	6,765	6,750
				<u>298,075</u>	
Energy—5.0%			Financial—6.0%		
Alon USA Partners LP Tranche B (1 month LIBOR + 8.000%) 9.569%, 11/26/18	17,469	17,513	AltiSource Solutions S.a.r.l Tranche B (1 month LIBOR + 3.500%) 5.069%, 12/9/20	9,605	9,401
Azure Midstream Energy LLC (1 month LIBOR + 6.500%) 8.069%, 11/15/18	14,875	13,425	AmWINS Group, Inc. First Lien (1 month LIBOR + 2.750%) 4.250%, 1/25/24	1,980	1,986
BCP Raptor LLC (3 month LIBOR + 4.250%) 5.729%, 6/24/24	12,895	12,936	Aretec Group, Inc. Second Lien (3 month LIBOR + 5.500%) 6.500%, 5/24/21	20,387	20,375
California Resources Corp. (1 month LIBOR + 10.375%) 11.876%, 12/31/22 ⁽⁴⁾	8,790	9,636	Tranche B-1 (1 month LIBOR + 4.250%) 5.819%, 11/23/20	7,370	7,370
(1 month LIBOR + 4.750%) 6.241%, 12/31/22	5,840	5,811	ASP MCS Acquisition Corp. (1 month LIBOR + 4.750%) 6.251%, 5/20/24	6,661	6,678
Chesapeake Energy Corp. Tranche A (3 month LIBOR + 7.500%) 8.954%, 8/23/21 ⁽⁴⁾	23,745	25,241	Asurion LLC Tranche B-2, Second Lien (1 month LIBOR + 6.000%) 7.569%, 8/4/25	48,755	50,050
Chief Exploration & Development LLC Second Lien (2 month LIBOR + 6.500%) 7.959%, 5/16/21	15,090	14,813	Tranche B-4 (1 month LIBOR + 2.750%) 4.319%, 8/4/22	43,701	43,899
Citigo Holding, Inc. (3 month LIBOR + 8.500%) 0.000%, 5/12/18 ⁽⁷⁾	28,768	29,020	Tranche B-5 (1 month LIBOR + 3.000%) 4.569%, 11/3/23	32,065	32,205
Crestwood Holdings LLC Tranche B-1 (3 month LIBOR + 8.000%) 9.436%, 6/19/19 ⁽⁴⁾	14,122	14,116			

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	Par Value	Value		Par Value	Value
Financial—continued			Food And Drug—continued		
Avolon TLB Borrower 1 (US) LLC Tranche B2 (1 month LIBOR + 2.250%) 0.000%, 3/20/22 ⁽⁷⁾	\$ 5,787	\$ 5,740	Rite Aid Corp. Tranche 1, Second Lien (weekly LIBOR + 4.750%) 6.240%, 8/21/20	\$ 6,649	\$ 6,668
BCP Renaissance Parent LLC (3 month LIBOR + 4.000%) 5.380%, 10/31/24	5,030	5,088	Supervalu, Inc. (1 month LIBOR + 3.500%) 3.035%, 6/8/24 ⁽⁸⁾	2,419	2,361
Deerfield Holdings Corp. (3 month LIBOR + 3.250%) 0.000%, 12/4/24 ⁽⁷⁾	4,765	4,771	(1 month LIBOR + 3.500%) 5.069%, 6/8/24	4,032	3,936
EVO Payments International LLC First Lien (1 month LIBOR + 5.000%) 0.000%, 12/22/23 ⁽⁷⁾	5,000	5,033			42,271
Finco I LLC (1 month LIBOR + 2.750%) 4.319%, 12/27/22	13,095	13,229	Food/Tobacco—2.3%		
Freedom Mortgage Corp. (3 month LIBOR + 5.500%) 6.956%, 2/23/22	11,364	11,507	Amplify Snack Brands, Inc. (1 month LIBOR + 5.500%) 6.880%, 9/2/23	7,557	7,568
Greenhill & Co., Inc. First Lien (2 month LIBOR + 3.750%) 5.224%, 10/12/22	2,935	2,942	Aramark Services, Inc. Tranche B-1 (1 month LIBOR + 2.000%) 3.569%, 3/7/25	5,555	5,581
I-Logic Technologies Bidco Ltd. (3 month LIBOR + 4.000%) 0.000%, 12/20/24 ⁽⁷⁾	3,560	3,542	BC Unlimited Liability Co. Tranche B-3 (1 month LIBOR + 2.250%) 3.881%, 2/16/24	58,018	57,987
iStar, Inc. Tranche B (1 month LIBOR + 3.000%) 4.451%, 10/1/21	18,098	18,234	Blue Buffalo Pet Products, Inc. (1 month LIBOR + 2.000%) 3.569%, 5/27/24	2,488	2,497
Jane Street Group LLC (3 month LIBOR + 4.500%) 5.880%, 8/25/22	4,143	4,192	JBS USA LUX SA (3 month LIBOR + 2.500%) 4.100%, 10/30/22	23,497	23,069
Jefferies Finance LLC (3 month LIBOR + 3.000%) 4.438%, 8/2/24 ⁽⁴⁾	2,390	2,393	Milk Specialties Co (3 month LIBOR + 4.000%) 5.693%, 8/16/23	10,443	10,521
LPL Holdings, Inc. Tranche B (6 month LIBOR + 2.250%) 3.810%, 9/21/24	2,918	2,927	NPC International, Inc. First Lien (1 month LIBOR + 3.500%) 5.052%, 4/19/24	3,527	3,554
Ocwen Loan Servicing LLC (1 month LIBOR + 5.000%) 6.460%, 12/7/20 ⁽⁴⁾	13,981	14,003	Second Lien (1 month LIBOR + 7.500%) 9.052%, 4/18/25	1,265	1,290
Russell Investments US Institutional Holdco, Inc. (3 month LIBOR + 4.250%) 5.943%, 6/1/23	8,979	9,026	Post Holdings, Inc. Tranche A (1 month LIBOR + 2.250%) 3.820%, 5/24/24	17,467	17,520
Tempo Acquisition LLC (1 month LIBOR + 3.000%) 0.000%, 5/1/24 ⁽⁷⁾	22,472	22,379	US Foods, Inc. (1 month LIBOR + 2.500%) 4.069%, 6/27/23	10,299	10,350
USI, Inc. Tranche B (3 month LIBOR + 3.000%) 4.693%, 5/16/24	5,666	5,654			139,937
VFH Parent LLC (3 month LIBOR + 3.750%) 5.135%, 12/30/21	9,970	10,045	Forest Product/Containers—1.5%		
Tranche B (3 month LIBOR + 3.250%) 0.000%, 12/30/21 ⁽⁷⁾	7,135	7,188	Anchor Glass Container Corp. 2017 (1 month LIBOR + 2.750%) 4.250%, 12/7/23	5,378	5,376
Victory Capital Operating LLC Tranche B-1 (1 month LIBOR + 5.250%) 6.819%, 11/1/21	9,720	9,829	Second Lien (1 month LIBOR + 7.750%) 9.182%, 12/7/24	2,595	2,617
Walter Investment Management Corp. Tranche B (1 month LIBOR + 3.750%) 5.319%, 12/18/20 ⁽¹⁰⁾	30,040	28,651	Berry Global, Inc. Tranche O (3 month LIBOR + 2.000%) 3.406%, 2/8/20	6,678	6,702
		358,337	Bway Holding Co. (3 month LIBOR + 3.250%) 4.599%, 4/3/24	18,731	18,798
			Caraustar Industries, Inc. (3 month LIBOR + 5.500%) 7.193%, 3/14/22	13,625	13,656
			Flex Acquisition Co., Inc. (3 month LIBOR + 3.000%) 4.335%, 12/29/23	2,468	2,478
			Plastipak Packaging, Inc. Tranche B (3 month LIBOR + 2.750%) 4.450%, 10/14/24	1,676	1,685
			ProAmpac PG Borrower LLC First Lien (3 month LIBOR + 4.000%) 5.373%, 8/4/23	9,319	9,387
			Reynolds Group Holdings, Inc. (1 month LIBOR + 2.750%) 4.319%, 2/6/23	11,310	11,356
Food And Drug—0.7%					
Albertson's LLC 2017-1, Tranche B-4 (1 month LIBOR + 2.750%) 4.319%, 8/25/21	6,853	6,711			
2017-1, Tranche B-5 (3 month LIBOR + 3.000%) 4.675%, 12/21/22	1,768	1,731			
2017-1, Tranche B-6 (3 month LIBOR + 3.000%) 4.462%, 6/22/23	21,326	20,864			

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	Par Value	Value		Par Value	Value
Forest Product/Containers—continued			Gaming/Leisure—continued		
Signode Industrial Group US, Inc. Tranche B (1 month LIBOR + 2.750%) 4.360%, 5/3/21	\$ 15,690	\$ 15,700	Hilton Worldwide Finance LLC Tranche B-2 (1 month LIBOR + 2.000%) 3.552%, 10/25/23	\$ 80,808	\$ 81,181
		<u>87,755</u>	La Quinta Intermediate Holdings LLC (3 month LIBOR + 2.750%) 4.109%, 4/14/21	9,406	9,431
Gaming/Leisure—7.4%			Las Vegas Sands LLC Tranche B (1 month LIBOR + 2.000%) 3.569%, 3/29/24	20,719	20,820
Amaya Gaming Group, Inc. Tranche B3 (3 month LIBOR + 3.500%) 5.193%, 8/1/21	16,695	16,778	MGM Growth Properties Operating Partnership LP Tranche B (1 month LIBOR + 2.250%) 3.819%, 4/25/23	11,035	11,072
Aristocrat Technologies, Inc. 2017 (3 month LIBOR + 2.000%) 0.000%, 10/19/24 ⁽⁷⁾	14,590	14,608	MGM Resorts International Tranche A (1 month LIBOR + 2.250%) 3.819%, 4/25/21	7,803	7,809
Belmond Interfin Ltd. (1 month LIBOR + 2.750%) 4.319%, 7/3/24	8,741	8,745	Mohegan Tribal Gaming Authority Tranche B (1 month LIBOR + 4.000%) 6.535%, 10/13/23	10,497	10,577
Bombardier Recreational Products, Inc. Tranche B-1 (2 month LIBOR + 2.500%) 3.930%, 6/30/23 ⁽⁴⁾	1,680	1,686	Penn National Gaming, Inc. Tranche B (1 month LIBOR + 2.500%) 4.069%, 1/19/24	2,436	2,444
Boyd Gaming Corp. Tranche B (weekly LIBOR + 2.500%) 3.975%, 9/15/23	5,963	5,993	Playa Resorts Holding B.V. (3 month LIBOR + 3.250%) 4.620%, 4/29/24	7,806	7,837
Caesars Entertainment Operating Co. LLC Tranche B (1 month LIBOR + 2.500%) 4.069%, 10/7/24 ⁽⁴⁾	5,850	5,853	Recess Holdings, Inc. First Lien (3 month LIBOR + 3.750%) 3.750%, 9/18/24 ⁽⁸⁾	299	300
Caesars Resort Collection LLC Tranche B (3 month LIBOR + 2.750%) 0.000%, 10/2/24 ⁽⁷⁾	24,905	25,003	Scientific Games International, Inc. Tranche B-4 (1 month LIBOR + 3.250%) 4.746%, 8/14/24	7,950	8,010
Casablanca US Holdings, Inc. First Lien (3 month LIBOR + 4.750%) 6.130%, 3/29/24	6,367	6,359	Station Casinos LLC Tranche B (1 month LIBOR + 2.500%) 4.060%, 6/8/23	6,736	6,744
CityCenter Holdings LLC Tranche B (1 month LIBOR + 2.500%) 4.069%, 4/18/24	3,323	3,337	UFC Holdings LLC First Lien (1 month LIBOR + 3.250%) 4.810%, 8/18/23 ⁽⁴⁾	4,965	4,987
ClubCorp Holdings, Inc. Tranche B, First Lien (3 month LIBOR + 3.250%) 4.943%, 9/18/24 ⁽⁴⁾	2,874	2,884	VICI Properties 1 LLC Tranche B (3 month LIBOR + 2.250%) 0.000%, 12/13/24 ⁽⁷⁾	29,950	29,950
Diamond Resorts International, Inc. 2017 (1 month LIBOR + 4.500%) 5.850%, 9/1/23	24,530	24,691		<u>443,175</u>	
Eldorado Resorts, Inc. (1 month LIBOR + 2.250%) 3.750%, 4/17/24	7,832	7,832	Healthcare—8.3%		
ESH Hospitality, Inc. (1 month LIBOR + 2.250%) 3.819%, 8/30/23	11,407	11,430	Ardent Legacy Acquisitions, Inc. (1 month LIBOR + 5.500%) 7.069%, 8/4/21	13,070	13,045
Everi Payments, Inc. Tranche B (3 month LIBOR + 3.500%) 4.914%, 5/9/24	20,592	20,772	Centene Corp. (3 month LIBOR + 3.500%) 3.500%, 9/13/18 ⁽³⁾⁽⁸⁾	43,285	43,285
Four Seasons Hotels Ltd. (1 month LIBOR + 2.500%) 4.069%, 11/30/23	12,415	12,479	Change Healthcare Holdings LLC (1 month LIBOR + 2.750%) 4.319%, 3/1/24	56,334	56,412
Gateway Casinos & Entertainment Ltd. Tranche B-1 (3 month LIBOR + 3.750%) 5.443%, 2/22/23	2,552	2,572	Community Health Systems, Inc. 2019, Tranche G (3 month LIBOR + 2.750%) 4.229%, 12/31/19	24,532	23,726
GLP Capital LP Tranche A-1 (3 month LIBOR + 1.500%) 2.960%, 4/29/21 ⁽⁴⁾	53,656	53,321	2021, Tranche H (3 month LIBOR + 3.000%) 0.000%, 1/27/21 ⁽⁷⁾	38,377	36,573
Golden Entertainment, Inc. Tranche B, First Lien (1 month LIBOR + 3.000%) 4.510%, 10/20/24	5,455	5,460	Convatec, Inc. Tranche B (3 month LIBOR + 2.250%) 3.943%, 10/25/23	6,755	6,769
Golden Nugget, Inc. Tranche B (3 month LIBOR + 3.250%) 0.000%, 10/4/23 ⁽⁷⁾	1,166	1,174	CPI Holdco LLC First Lien (3 month LIBOR + 3.500%) 5.193%, 10/31/22	3,141	3,165
Greektown Holdings LLC (1 month LIBOR + 2.750%) 4.319%, 4/25/24	11,059	11,036	Diplomat Pharmacy, Inc. Tranche B (3 month LIBOR + 4.500%) 0.000%, 12/13/24 ⁽⁷⁾	1,685	1,693

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	Par Value	Value		Par Value	Value
Healthcare—continued			Healthcare—continued		
Endo Luxembourg Finance Co. I S.a.r.l. (1 month LIBOR + 4.250%) 5.875%, 4/29/24	\$ 1,648	\$ 1,657	Valeant Pharmaceuticals International, Inc. Tranche B (1 month LIBOR + 3.500%) 4.940%, 4/1/22	\$ 28,865	\$ 29,255
Envision Healthcare Corp. (1 month LIBOR + 3.000%) 4.570%, 12/1/23	5,176	5,187			498,661
Explorer Holdings, Inc. (3 month LIBOR + 3.750%) 5.130%, 5/2/23	5,198	5,237	Housing—2.2%		
Greatbatch Ltd. Tranche A (1 month LIBOR + 3.250%) 4.820%, 10/27/21	4,538	4,532	American Builders & Contractors Supply Co., Inc. Tranche B-1 (1 month LIBOR + 2.500%) 4.069%, 10/31/23	14,315	14,366
Tranche B (1 month LIBOR + 3.250%) 4.660%, 10/27/22	16,705	16,822	Beacon Roofing Supply, Inc. (3 month LIBOR + 2.250%) 0.000%, 10/11/24 ⁽⁷⁾	3,355	3,362
Grifols Worldwide Operations USA, Inc. Tranche B (weekly LIBOR + 2.250%) 3.739%, 1/31/25	34,812	34,865	Canam Steel Corp. (1 month LIBOR + 5.500%) 0.000%, 7/1/24 ⁽⁷⁾	10,283	10,334
Halyard Health, Inc. (1 month LIBOR + 2.750%) 4.319%, 12/22/23	7,910	7,920	Capital Automotive LP 2017, Tranche B-2 (1 month LIBOR + 2.500%) 4.070%, 3/25/24	18,901	18,943
HCA, Inc. Tranche B-8 (1 month LIBOR + 2.250%) 3.819%, 2/15/24	28,138	28,300	Tranche B, Second Lien (1 month LIBOR + 6.000%) 7.570%, 3/24/25	38,654	39,621
Healogics, Inc. First Lien (3 month LIBOR + 4.250%) 5.750%, 7/1/21	3,536	3,070	DTZ U.S. Borrower LLC 2015-1, First Lien (3 month LIBOR + 3.250%) 4.767%, 11/4/21	28,479	28,083
INC Research Holdings, Inc. Tranche B (1 month LIBOR + 2.250%) 3.819%, 8/1/24	8,932	8,938	HD Supply Waterworks Ltd. (weekly LIBOR + 3.000%) 4.455%, 8/1/24 ⁽⁴⁾	2,055	2,069
Inc. Research Holdings, Inc. Tranche A (1 month LIBOR + 1.750%) 3.319%, 8/1/22	12,585	12,595	Quikrete Holdings, Inc. First Lien (1 month LIBOR + 2.750%) 4.319%, 11/15/23	4,606	4,611
Indivior Finance LLC 2017 (3 month LIBOR + 4.500%) 0.000%, 12/14/22 ⁽⁷⁾	17,385	17,429	Realogy Group LLC 2022 (1 month LIBOR + 2.250%) 3.819%, 7/20/22	8,338	8,354
Innoviva, Inc. (3 month LIBOR + 4.500%) 5.936%, 8/18/22	5,923	5,953			129,743
Kindred Healthcare, Inc. 2016 (3 month LIBOR + 3.500%) 4.875%, 4/9/21 ⁽⁴⁾	4,312	4,322	Information Technology—7.8%		
Lannett Co., Inc. Tranche A (1 month LIBOR + 4.750%) 6.319%, 11/25/20	26,340	26,208	Almonde, Inc. First Lien (3 month LIBOR + 3.500%) 4.979%, 6/13/24	10,010	10,034
MPH Acquisition Holdings LLC Tranche B (3 month LIBOR + 3.000%) 4.693%, 6/7/23	18,835	18,861	Second Lien (3 month LIBOR + 7.250%) 8.729%, 6/13/25	4,230	4,231
Parexel International Corp. (1 month LIBOR + 3.000%) 4.569%, 9/27/24	5,436	5,458	Aricent Technologies First Lien (1 month LIBOR + 4.500%) 5.972%, 4/14/21	6,217	6,231
PharMerica Corp. (3 month LIBOR + 1.403%) 9.153%, 9/26/25	1,695	1,697	Second Lien (1 month LIBOR + 8.500%) 9.972%, 4/14/22	3,165	3,182
First Lien (3 month LIBOR + 3.500%) 4.903%, 9/26/24	2,100	2,109	ARRIS Group, Inc. (1 month LIBOR + 2.250%) 3.819%, 5/28/21	8,735	8,748
Quintiles IMS Incorporated Tranche B-2 (3 month LIBOR + 2.000%) 3.693%, 1/17/25	5,018	5,035	Autodata, Inc. First Lien (3 month LIBOR + 3.250%) 4.824%, 12/12/24	3,965	3,965
Quintiles IMS, Inc. Tranche B-1 (3 month LIBOR + 2.000%) 3.693%, 3/7/24	4,209	4,224	Avaya, Inc. (1 month LIBOR + 4.750%) 6.227%, 11/8/24	7,930	7,795
RPI Finance Trust Tranche A-3 (3 month LIBOR + 1.750%) 3.263%, 10/14/21	10,955	10,955	Blackboard, Inc. Tranche B4 (3 month LIBOR + 5.000%) 6.354%, 6/30/21 ⁽⁴⁾	8,178	8,088
Tranche B-6 (3 month LIBOR + 2.000%) 3.693%, 3/27/23	33,585	33,716	Cavium, Inc. Tranche B-1 (1 month LIBOR + 2.250%) 3.819%, 8/16/22	5,753	5,760
Surgery Center Holdings, Inc. (1 month LIBOR + 3.250%) 4.820%, 9/2/24	8,349	8,252	Cologix Holdings, Inc. First Lien (3 month LIBOR + 3.000%) 4.456%, 3/20/24 ⁽⁴⁾	3,141	3,140
Team Health Holdings, Inc. (1 month LIBOR + 2.750%) 4.319%, 2/6/24	11,711	11,396	Second Lien (1 month LIBOR + 7.000%) 8.552%, 3/20/25 ⁽⁴⁾	800	804
			Compuware Corp. Tranche B-3 (3 month LIBOR + 4.250%) 5.630%, 12/15/21 ⁽⁴⁾	4,613	4,636
			CSRA, Inc. Tranche B (3 month LIBOR + 2.000%) 3.693%, 11/30/23	8,127	8,155

See Notes to Financial Statements.

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	Par Value	Value		Par Value	Value
Information Technology—continued			Information Technology—continued		
Cypress Intermediate Holdings III, Inc. First Lien (1 month LIBOR + 3.000%) 4.570%, 4/29/24	\$ 6,642	\$ 6,648	Peak 10 Holding Corp. First Lien (3 month LIBOR + 3.500%) 5.193%, 8/1/24	\$ 8,768	\$ 8,754
Dell International LLC Tranche A-3 (1 month LIBOR + 1.500%) 3.070%, 12/31/18	13,844	13,838	Second Lien (3 month LIBOR + 7.250%) 8.627%, 8/1/25	1,620	1,626
Tranche B (1 month LIBOR + 2.000%) 3.570%, 9/7/23	40,238	40,206	Presidio, Inc. First Lien (3 month LIBOR + 3.250%) 5.668%, 2/2/22	9,683	9,703
DigiCert Holdings, Inc. First Lien (3 month LIBOR + 4.750%) 6.130%, 10/31/24	3,350	3,391	Project Leopard Holdings, Inc. (3 month LIBOR + 5.500%) 7.193%, 7/7/23	2,798	2,814
Second Lien (3 month LIBOR + 8.000%) 0.000%, 10/31/25 ⁽⁷⁾	4,240	4,259	Quest Software US Holdings, Inc. First Lien (3 month LIBOR + 5.500%) 6.919%, 10/31/22	2,444	2,481
EAB Global, Inc. First Lien (1 month LIBOR + 3.750%) 5.241%, 11/17/24	6,705	6,739	Rackspace Hosting, Inc. 2017, Tranche B (3 month LIBOR + 3.000%) 4.353%, 11/3/23	10,716	10,704
ECI Macola First Lien (3 month LIBOR + 4.250%) 5.943%, 9/27/24	3,347	3,372	RP Crown Parent LLC Tranche B (1 month LIBOR + 3.000%) 4.569%, 10/12/23	2,876	2,887
EIG Investors Corp. (3 month LIBOR + 4.000%) 5.462%, 2/9/23	6,411	6,447	Sahara Parent, Inc. First Lien (3 month LIBOR + 5.000%) 6.693%, 8/16/24	3,342	3,258
Gartner, Inc. 2017, Tranche B (1 month LIBOR + 2.000%) 3.569%, 4/5/24	5,503	5,517	Salient CRGT, Inc. (1 month LIBOR + 5.750%) 0.000%, 2/28/22 ⁽⁷⁾	9,287	9,333
Tranche A (1 month LIBOR + 2.000%) 3.569%, 3/21/22	5,717	5,732	SCS Holdings I, Inc. Tranche B, First Lien (1 month LIBOR + 4.250%) 5.819%, 10/30/22	7,836	7,865
Ginsberg Merger Sub, Inc. First Lien (3 month LIBOR + 4.500%) 0.000%, 12/19/24 ⁽⁷⁾	5,345	5,292	Seattle Escrow Borrower LLC (1 month LIBOR + 2.750%) 4.319%, 6/21/24	15,286	15,286
GlobalLogic Holdings, Inc. (3 month LIBOR + 4.500%) 6.193%, 6/20/22	4,605	4,640	Semiconductor Components Industries LLC (3 month LIBOR + 1.750%) 3.085%, 1/2/18 ⁽⁴⁾	18,926	18,910
Help Systems Holdings, Inc. (3 month LIBOR + 4.500%) 6.193%, 10/8/21	2,967	2,975	SolarWinds Holdings, Inc. (1 month LIBOR + 3.500%) 5.069%, 2/3/23	2,955	2,964
Inovalon Holdings, Inc. (1 month LIBOR + 1.250%) 2.819%, 9/19/19	27,596	27,320	Solera LLC (1 month LIBOR + 3.250%) 4.818%, 3/3/23	17,691	17,795
Intermap Corp. (1 month LIBOR + 7.000%) 8.410%, 4/6/22	3,323	3,352	Southern Graphics, Inc. First Lien (3 month LIBOR + 3.500%) 0.000%, 11/22/22 ⁽⁷⁾	817	820
IPC Corp. Tranche B-1, First Lien (3 month LIBOR + 4.500%) 5.880%, 8/6/21	9,129	8,923	First Lien (3 month LIBOR + 3.500%). 0.000%, 11/22/22 ⁽⁷⁾	5,058	5,075
Ivanti Software, Inc. First Lien (1 month LIBOR + 4.250%) 5.820%, 1/22/24	4,748	4,506	SS&C European Holdings 2017, Tranche B-2 (1 month LIBOR + 2.250%) 3.819%, 7/8/22	51	52
Leidos Innovations Corp. Tranche B (1 month LIBOR + 2.000%) 3.625%, 8/16/23	6,282	6,333	SS&C Technologies, Inc. 2017, Tranche B-1 (1 month LIBOR + 2.250%) 3.819%, 7/8/22	2,724	2,742
Lionbridge Technologies, Inc. First Lien (1 month LIBOR + 5.500%) 0.000%, 2/6/24 ⁽⁷⁾	4,965	4,950	Symantec Corp. Tranche A-2 (3 month LIBOR + 1.500%) 2.938%, 8/1/19 ⁽⁴⁾	7,946	7,930
MA Financeco LLC Tranche B-3 (1 month LIBOR + 2.750%) 4.319%, 6/21/24	2,264	2,264	Tranche A-3 (1 month LIBOR + 1.500%) 2.950%, 8/1/19	6,562	6,534
MaxLinear, Inc. Tranche B (3 month LIBOR + 2.500%) 3.977%, 5/12/24	3,842	3,857	Tranche A-5 (1 month LIBOR + 1.750%) 3.200%, 8/1/21	6,435	6,416
McAfee LLC First Lien (1 month LIBOR + 4.500%) 0.000%, 9/30/24 ⁽⁷⁾	15,897	15,835	TierPoint, LLC First Lien (1 month LIBOR + 3.750%) 5.319%, 5/6/24	3,328	3,301
Mitchell International, Inc. First Lien (3 month LIBOR + 3.250%) 0.000%, 11/29/24 ⁽⁷⁾	415	415	TTM Technologies, Inc. Tranche B (1 month LIBOR + 2.500%) 4.069%, 9/30/24	3,342	3,340
First Lien (3 month LIBOR + 3.250%) 4.943%, 11/29/24	5,150	5,145	Vertiv Group Corp. Tranche B (1 month LIBOR + 4.000%) 0.000%, 11/30/23 ⁽⁷⁾	13,503	13,481
Second Lien (3 month LIBOR + 7.250%) 8.943%, 11/20/25	1,605	1,615			
Paysafe Group plc (3 month LIBOR + 3.500%) 0.000%, 12/2/24 ⁽⁷⁾	7,915	7,905			

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	Par Value	Value		Par Value	Value
Information Technology—continued			Metals/Minerals—continued		
VF Holding Corp. Tranche B-1 (1 month LIBOR + 3.250%) 4.819%, 6/30/23	\$ 11,833	\$ 11,915	Consol Energy, Inc. Tranche B (3 month LIBOR + 6.000%) 7.470%, 10/31/22	\$ 5,030	\$ 5,084
Western Digital Corp. Tranche A (1 month LIBOR + 1.750%) 3.319%, 4/29/21	2,925	2,932	Contura Energy, Inc. (2 month LIBOR + 5.000%) 6.630%, 3/18/24	10,686	10,526
Tranche B-3 (1 month LIBOR + 2.000%) 3.569%, 4/29/23	9,969	10,001	Coronado Coal LLC (3 month LIBOR + 7.000%) 8.333%, 6/6/23	4,102	4,123
		<u>465,164</u>	Fairmount Santrol, Inc. (3 month LIBOR + 6.000%) 7.693%, 11/1/22	11,915	12,037
			Foresight Energy LLC (3 month LIBOR + 5.750%) 7.443%, 3/28/22	9,424	8,823
Manufacturing—1.8%			Global Brass and Copper, Inc. (3 month LIBOR + 3.250%) 4.750%, 7/18/23	3,698	3,726
Big River Steel LLC (3 month LIBOR + 5.000%) 6.693%, 8/15/23	9,147	9,216	Peabody Energy Corp. 2017 (3 month LIBOR + 3.500%) 5.069%, 3/31/22	5,446	5,515
Brand Energy & Infrastructure Services, Inc. (3 month LIBOR + 4.250%) 5.620%, 6/21/24	7,492	7,517	TMS International Corp. Tranche B1 (1 month LIBOR + 3.000%) 4.472%, 8/14/24	5,797	5,805
Bright Bidco BV First Lien (1 month LIBOR + 4.500%) 6.131%, 7/1/24	12,358	12,430	US Silica Co. (3 month LIBOR + 3.000%) 4.750%, 7/23/20	8,703	8,703
Columbus McKinnon Corp. (3 month LIBOR + 3.000%) 4.693%, 1/31/24	3,742	3,766	(3 month LIBOR + 3.500%) 5.250%, 7/23/20	9,262	9,270
Dynacast International LLC Tranche B-1, First Lien (3 month LIBOR + 3.250%) 4.943%, 1/28/22	8,578	8,610	Zekelman Industries, Inc. (3 month LIBOR + 2.750%) 4.073%, 6/14/21	7,321	7,350
Encapsys LLC First Lien (1 month LIBOR + 3.250%) 4.819%, 10/25/24	4,005	4,017			<u>116,669</u>
EXC Holdings III Corp. First Lien (6 month LIBOR + 3.500%) 5.161%, 11/15/24	1,665	1,676			
Second Lien (3 month LIBOR + 7.500%) 9.161%, 11/15/25	1,260	1,267	Retail—3.5%		
Gates Global LLC Tranche B-2 (3 month LIBOR + 3.000%) 4.693%, 4/1/24	16,900	16,981	Ascena Retail Group, Inc. Tranche B (1 month LIBOR + 4.500%) 6.125%, 8/19/22	8,543	7,044
Keurig Green Mountain, Inc. Tranche A (weekly LIBOR + 1.500%) 0.000%, 3/3/21 ⁽⁷⁾	17,534	17,485	ASHCO LLC (1 month LIBOR + 5.000%) 6.569%, 9/25/24	17,955	17,888
Milacron LLC Tranche B (3 month LIBOR + 2.750%) 4.209%, 9/28/23	3,500	3,501	Belk, Inc. (3 month LIBOR + 4.750%) 6.099%, 12/12/22	8,159	6,669
TecoStar Holdings, Inc. 2017 (3 month PRIME + 2.500%) 5.941%, 5/1/24	4,990	5,034	CWGS Group LLC (3 month LIBOR + 3.000%) 4.278%, 11/8/23	15,358	15,443
Unifrax I LLC 2017 (3 month LIBOR + 3.500%) 4.953%, 4/4/24	6,229	6,291	Dollar Tree, Inc. Tranche B-2 4.250%, 7/6/22 ⁽⁹⁾	42,790	43,058
Second Lien (3 month LIBOR + 7.500%) 9.193%, 11/3/25	4,230	4,283	Hudsons Bay Co. Tranche B (3 month LIBOR + 3.250%) 4.718%, 9/30/22	26,730	26,079
Utex Industries, Inc. First Lien (3 month LIBOR + 4.000%) 0.000%, 5/21/21 ⁽⁷⁾	3,268	3,197	J. Crew Group, Inc. (1 month LIBOR + 3.220%) 4.808%, 3/5/21	18,904	11,286
		<u>105,271</u>	JC Penney Corp., Inc. (3 month LIBOR + 4.250%) 5.729%, 6/23/23 ⁽⁴⁾	16,823	15,687
			Men's Wearhouse, Inc., The Tranche B (1 month LIBOR + 3.500%) 4.917%, 6/18/21	2,699	2,697
Metals/Minerals—1.9%			Tranche B-1 5.000%, 6/18/21 ⁽³⁾⁽⁹⁾	8,333	8,250
Atkore International, Inc. First Lien (3 month LIBOR + 3.000%) 4.700%, 12/22/23	17,488	17,576	PetSmart, Inc. Tranche B-2 (1 month LIBOR + 3.000%) 0.000%, 3/11/22 ⁽⁷⁾	4,989	3,977
Atlas Iron Ltd. (3 month LIBOR + 7.330%) 8.680%, 5/6/21	2,645	2,367	Toys R Us Property Co. I LLC (1 month LIBOR + 5.000%) 6.569%, 8/21/19	31,980	28,896
Blackhawk Mining LLC First Lien (3 month LIBOR + 9.500%) 10.890%, 2/17/22 ⁽⁴⁾	18,459	15,764	Toys R Us-Delaware, Inc. Tranche B (3 month PRIME + 7.750%) 12.250%, 4/24/20 ⁽⁶⁾	19,691	9,596
			Tranche B-3 (3 month PRIME + 2.750%) 7.250%, 5/25/18 ⁽⁶⁾	1,734	555

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	Par Value	Value		Par Value	Value
Retail—continued			Service—continued		
Tranche B-4 (1 month LIBOR + 8.750%) 6.160%, 1/18/19 ⁽⁸⁾	\$ 14,100	\$ 14,389	Prime Security Services Borrower LLC 2016-2, Tranche B-1, First Lien (1 month LIBOR + 2.750%) 4.319%, 5/2/22	\$ 9,114	\$ 9,175
		<u>211,514</u>	Red Ventures LLC		
Service—6.5%			First Lien (1 month LIBOR + 4.000%) 5.569%, 11/8/24	23,436	23,395
American Teleconferencing Services Ltd. (3 month LIBOR + 6.500%) 7.855%, 12/8/21	2,291	2,248	Second Lien (1 month LIBOR + 8.000%) 9.569%, 11/8/25	3,690	3,679
Ascend Learning LLC (1 month LIBOR + 3.000%) 4.569%, 7/12/24	4,170	4,190	Sedgwick Claims Management Services, Inc. First Lien (1 month LIBOR + 2.750%) 4.319%, 3/1/21	22,754	22,732
Capri Acquisitions BidCo Ltd. (3 month LIBOR + 3.250%) 4.627%, 11/1/24	4,195	4,190	Second Lien (1 month LIBOR + 5.750%) 7.319%, 2/28/22	13,075	13,124
Conduent Business Services LLC Tranche B (1 month LIBOR + 3.000%) 4.569%, 12/7/23	9,368	9,426	Second Lien (3 month LIBOR + 5.750%) 7.229%, 2/28/22 ⁽⁴⁾	3,440	3,457
CSC SW Holdco, Inc. Tranche B-1 (2 month LIBOR + 3.750%) 5.147%, 11/14/22	5,398	5,435	Tranche B, First Lien (3 month LIBOR + 2.750%) 0.000%, 2/28/21 ⁽⁷⁾	4,165	4,152
Diebold Nixdorf Incorporated Tranche B (1 month LIBOR + 2.750%) 4.188%, 11/6/23	1,343	1,341	SGS Cayman LP (3 month LIBOR + 5.375%) 7.068%, 4/23/21	4,508	4,317
Engineered Machinery Holdings, Inc. First Lien (1 month LIBOR + 3.250%) 4.763%, 7/25/24	275	275	St. George's University Scholastic Services LLC (1 month LIBOR + 4.250%) 5.707%, 7/6/22 ⁽⁴⁾	2,512	2,537
First Lien (3 month LIBOR + 3.250%) 4.943%, 7/19/24	2,115	2,115	Sutherland Global Services, Inc. (3 month LIBOR + 5.375%) 7.068%, 4/23/21	19,368	18,545
Evertec Group LLC 2018 (1 month LIBOR + 2.250%) 3.682%, 4/17/18	973	943	TKC Holdings, Inc. First Lien (2 month LIBOR + 4.250%) 5.673%, 2/1/23	5,151	5,185
Exela Intermediate LLC Tranche B, First Lien (3 month LIBOR + 7.500%) 8.857%, 6/30/23	7,279	7,052	Second Lien (2 month LIBOR + 8.000%) 0.000%, 2/1/24 ⁽⁷⁾	2,110	2,115
First Data Corp. 2020, Tranche A (1 month LIBOR + 1.750%) 0.000%, 6/2/20 ⁽⁴⁾⁽⁷⁾	15,669	15,665	Trans Union LLC 2017, Tranche B-3 (1 month LIBOR + 2.000%) 3.569%, 4/7/23	6,445	6,467
2022 (1 month LIBOR + 2.250%) 3.802%, 7/8/22	54,775	54,805	Travelport Finance (Luxembourg) Sarl Tranche D (3 month LIBOR + 2.750%) 0.000%, 9/2/21 ⁽⁷⁾	9,954	9,948
2024A (1 month LIBOR + 2.250%) 3.802%, 4/26/24	40,402	40,409	USIC Holdings, Inc. (3 month LIBOR + 3.500%) 5.004%, 12/8/23	2,915	2,930
FleetCor Technologies Operating Co. LLC Tranche B-3 (1 month LIBOR + 2.000%) 3.569%, 8/2/24	8,354	8,378	Vantiv LLC Tranche B1, First Lien (3 month LIBOR + 2.000%) 0.000%, 8/7/24 ⁽⁷⁾	2,205	2,214
GFL Environmental, Inc. (3 month LIBOR + 2.750%) 4.443%, 9/29/23	4,098	4,110	Tranche B4 (1 month LIBOR + 2.000%) 3.477%, 8/9/24	7,020	7,052
Global Payments, Inc. (1 month LIBOR + 1.750%) 3.319%, 7/31/20	13,289	13,289	Ventia Deco LLC 2017, Tranche B (3 month LIBOR + 3.500%) 5.193%, 5/20/22	2,902	2,931
Hoya Midco LLC First Lien (1 month LIBOR + 4.000%) 0.000%, 6/30/24 ⁽⁷⁾	4,569	4,565	Weight Watchers International, Inc. (1 month LIBOR + 4.750%) 6.230%, 11/29/24	18,455	18,532
Inmar, Inc. First Lien (2 month LIBOR + 3.500%) 4.917%, 5/1/24 ⁽⁴⁾	6,657	6,667	Wrangler Buyer Corp. (1 month LIBOR + 3.000%) 4.569%, 9/27/24	2,935	<u>2,952</u>
Iqor US, Inc. Tranche B, First Lien (3 month LIBOR + 5.000%) 6.335%, 4/1/21	28,356	28,126			<u>389,152</u>
KUEHG Corp. Second Lien (3 month LIBOR + 8.250%) 9.583%, 8/15/25	1,695	1,704	Telecommunications—4.6%		
Laureate Education, Inc. 2024 (1 month LIBOR + 4.500%) 6.069%, 4/26/24 ⁽⁴⁾	7,057	7,110	Altice Financing SA 2017 (3 month LIBOR + 2.750%) 4.109%, 7/15/25 ⁽⁴⁾	11,348	11,101
NAB Holdings LLC (1 month LIBOR + 3.250%) 4.819%, 7/1/24	1,667	1,670	2017 (3 month LIBOR + 2.750%) 4.112%, 1/31/26	13,210	12,919
			CenturyLink, Inc. Tranche B (1 month LIBOR + 2.750%) 4.319%, 1/31/25	55,200	53,182

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	Par Value	Value		Par Value	Value
Telecommunications—continued			Transportation—continued		
Colorado Buyer, Inc.			K & N Parent, Inc.		
First Lien (3 month LIBOR + 3.000%)	\$ 3,149	\$ 3,167	(3 month LIBOR + 4.750%)	\$ 2,470	\$ 2,452
4.380%, 5/1/24			6.209%, 10/20/23		
Second Lien (3 month LIBOR + 7.250%)	2,400	2,421	Second Lien (1 month LIBOR + 8.750%)	1,710	1,667
8.630%, 5/1/25			10.319%, 10/21/24		
ConvergeOne Holdings Corp. (3 month LIBOR +			Navios Maritime Midstream Partners LP (3 month		
4.750%)			LIBOR + 4.500%)		
6.450%, 6/20/24	4,990	4,994	6.130%, 6/18/20	5,077	5,039
Hargray Communications Group, Inc. (1 month LIBOR +			Navios Maritime Partners LP (3 month LIBOR +		
3.000%)			5.000%)		
4.569%, 5/16/24	3,154	3,159	6.540%, 9/14/20	13,677	13,629
Level 3 Financing, Inc. 2024, Tranche B (3 month LIBOR			Navistar, Inc. Tranche B (1 month LIBOR + 3.500%)		
+ 2.250%)			4.900%, 11/6/24	7,180	7,200
3.696%, 2/22/24	78,145	78,145	OSG Bulk Ships, Inc. (3 month LIBOR + 4.250%)		
Neustar, Inc.			5.650%, 8/5/19	8,565	8,244
Second Lien (3 month LIBOR + 8.000%)			Sage Automotive Interiors, Inc. (1 month LIBOR +		
9.397%, 8/8/25	2,750	2,775	5.000%)		
Tranche B2, First Lien (3 month LIBOR + 3.750%)			6.569%, 11/8/22	2,471	2,487
5.147%, 8/8/24 ⁽⁴⁾	6,958	7,013	Superior Industries International, Inc. (1 month LIBOR +		
New LightSquared LLC			4.500%)		
(3 month LIBOR + 8.750%)			6.052%, 5/22/24	9,391	9,461
10.265%, 6/15/20 ⁽⁴⁾	10,885	10,083	Tower Automotive Holdings USA LLC (1 month LIBOR +		
Second Lien (3 month LIBOR + 12.500%)			2.750%)		
13.820%, 12/7/20	11,482	6,939	4.188%, 3/7/24	14,282	14,318
Numericable U.S. LLC			Wabash National Corp. Tranche B-4 (1 month LIBOR +		
(3 month LIBOR + 2.750%)			2.250%)		
4.130%, 7/31/25	35,074	33,443	3.750%, 3/18/22	11,447	11,476
(3 month LIBOR + 3.000%)					<u>163,991</u>
4.349%, 1/31/26	25,165	24,198			
West Corp. Tranche B, First Lien (1 month LIBOR +			Utility—4.8%		
4.000%)			AES Corp. (3 month LIBOR + 2.000%)		
5.350%, 10/10/24	10,543	10,564	3.454%, 5/24/22	14,560	14,584
Zayo Group LLC 2017, Tranche B-2 (1 month LIBOR +			APLP Holdings Ltd. Partnership (1 month LIBOR +		
2.250%)			3.500%)		
3.802%, 1/19/24 ⁽⁴⁾	9,199	9,227	5.069%, 4/13/23	3,897	3,945
		<u>273,330</u>	Bronco Midstream Funding LLC (3 month LIBOR +		
			4.000%)		
Transportation—2.7%			5.436%, 8/17/20 ⁽⁴⁾	19,066	19,281
American Axle & Manufacturing, Inc. Tranche B (1			Calpine Construction Finance Co. LP Tranche B (1		
month LIBOR + 2.250%)			month LIBOR + 2.500%)		
3.715%, 4/6/24	19,804	19,866	4.069%, 1/15/25	5,905	5,898
CH Hold Corp. First Lien (1 month LIBOR + 3.000%)			Calpine Corp.		
4.569%, 2/1/24	7,586	7,629	(3 month LIBOR + 2.500%)		
Commercial Barge Line Co. (1 month LIBOR + 8.750%)			3.840%, 11/17/24	5,931	5,919
10.319%, 11/12/20	7,966	4,544	(3 month LIBOR + 2.5000%)		
Daseke Companies, Inc. (1 month LIBOR + 5.000%)			2.500%, 11/17/24	5,955	5,947
0.000%, 2/27/24 ⁽⁷⁾	7,289	7,285	2016 (3 month LIBOR + 2.500%)		
Deck Chassis, Inc. Second Lien (3 month LIBOR +			4.043%, 5/31/23	5,181	5,175
6.000%)			2017 (1 month LIBOR + 1.750%)		
0.000%, 6/15/23 ⁽⁷⁾	1,685	1,710	3.320%, 12/31/19	2,114	2,113
Federal-Mogul Corp. Tranche C (1 month LIBOR +			Dynegy, Inc. Tranche C-2 (1 month LIBOR + 2.750%)		
3.750%)			4.251%, 2/7/24	23,335	23,433
5.275%, 4/15/21	31,516	31,735	Eastern Power LLC Tranche B (1 month LIBOR +		
HGIM Corp.			3.750%)		
Tranche A (3 month PRIME + 3.250%)			5.319%, 10/2/23	14,666	14,789
7.750%, 6/18/18 ⁽⁶⁾	12,471	4,926	Empire Generating Co. LLC		
Tranche B (3 month LIBOR + 3.500%)			Tranche B (3 month LIBOR + 4.250%)		
7.750%, 6/18/20 ⁽⁶⁾	12,465	4,924	5.630%, 3/15/21	20,296	16,744
International Seaways Operating Corp. (1 month LIBOR			Tranche C (3 month LIBOR + 4.250%)		
+ 5.500%)			5.630%, 3/15/21 ⁽⁴⁾	2,006	1,655
6.850%, 6/22/22	5,406	5,399			

See Notes to Financial Statements.

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Shares	Value
Utility—continued					
Energy Future Intermediate Holding Co. LLC (1 month LIBOR + 3.000%) 4.546%, 6/30/18	\$ 17,490	\$ 17,527			
Helix Gen Funding LLC (3 month LIBOR + 3.750%) 5.443%, 6/3/24	3,075	3,082			
Lonestar Generation LLC (1 month LIBOR + 4.250%) 5.819%, 2/22/21	3,465	3,417			
Longview Power LLC Tranche B (3 month LIBOR + 6.000%) 0.000%, 4/13/21 ⁽⁷⁾	7,955	5,415			
MRP Generation Holdings LLC (3 month LIBOR + 7.000%) 8.693%, 10/18/22	17,724	16,306			
NRG Energy, Inc. (3 month LIBOR + 2.250%) 3.943%, 6/30/23	43,384	43,394			
PowerTeam Services LLC First Lien (3 month LIBOR + 3.250%) 4.943%, 5/6/20	11,121	11,128			
Summit Midstream Partners Holdings LLC (1 month LIBOR + 6.000%) 7.569%, 5/13/22	15,290	15,533			
Talen Energy Supply LLC (1 month LIBOR + 4.000%) 5.569%, 4/13/24 Tranche B-1 (1 month LIBOR + 4.000%) 5.569%, 7/17/23	12,124	12,197			
Vistra Operations Co. LLC (3 month LIBOR + 2.750%) 3.996%, 8/4/23 2016 (3 month LIBOR + 2.750%) 2.356%, 12/14/23 Tranche C (1 month LIBOR + 2.500%) 3.834%, 8/4/23	24,291	24,413			
	6,242	6,284			
	4,305	4,326			
		288,472			
Wireless Communications—1.2% Sprint Communications, Inc. (1 month LIBOR + 2.500%) 4.125%, 2/2/24	72,730	72,676			
TOTAL LEVERAGED LOANS (Identified Cost \$5,464,424)		5,427,075			
	Shares				
PREFERRED STOCK—0.0%					
Financials—0.0% GMAC Capital Trust I Series 2, 7.201% ⁽²⁾	34,000	882			
TOTAL PREFERRED STOCK (Identified Cost \$850)		882			
COMMON STOCKS—0.8%					
Consumer Discretionary—0.2% Caesars Entertainment Corp. ⁽⁴⁾⁽¹¹⁾	947,421	11,985			
Energy—0.2% Linn Energy, Inc. ⁽⁴⁾⁽¹¹⁾ SandRidge Energy, Inc. ⁽⁴⁾⁽¹¹⁾	140,363	5,650			
	16,109	339			
Energy—continued					
Templar Energy LLC ⁽³⁾⁽⁴⁾⁽¹¹⁾			1,378,328	\$ 2,894	8,883
Financials—0.1%					
Aretec Group, Inc. ⁽³⁾⁽⁴⁾⁽¹¹⁾			104,182	3,751	
Information Technology—0.3%					
Avaya Holdings Corp. ⁽⁴⁾⁽¹¹⁾			1,099,711	19,300	
TOTAL COMMON STOCKS (Identified Cost \$84,267)					43,919
RIGHT—0.0%					
Utilities—0.0% Texas Competitive Electric Holdings Co. LLC ⁽³⁾⁽¹¹⁾			410,667	370	
TOTAL RIGHT (Identified Cost \$555)					370
TOTAL LONG-TERM INVESTMENTS—95.2% (Identified Cost \$5,776,404)					
SHORT-TERM INVESTMENT—9.1%					
MONEY MARKET MUTUAL FUND—9.1%					
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽⁴⁾⁽¹²⁾			545,542,204	545,542	
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$545,542)					545,542
TOTAL INVESTMENTS—104.3% (Identified Cost \$6,321,946)					
Other assets and liabilities, net—(4.3%)					(256,886)
NET ASSETS—100.0% <u>\$5,989,439</u>					
Abbreviation: LIBOR London Interbank Offered Rate					

See Notes to Financial Statements.

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

Footnote Legend:

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$98,700 or 1.6% of net assets.
- (2) Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (3) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (4) All or a portion of the security is segregated as collateral for a delayed delivery transaction.
- (5) Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the disclosure table located after the Schedule of Investments.
- (6) Security in default, no interest payments are being received during the bankruptcy proceedings.
- (7) This loan will settle after December 31, 2017, at which time the interest rate, based on the LIBOR and the agreed upon spread on trade date, will be reflected.
- (8) Represents unfunded portion of security and commitment fee earned on this portion.
- (9) Security is fixed rate.
- (10) Security in default, interest payments are being received during the bankruptcy proceedings.
- (11) Non-income producing security.
- (12) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Country Weightings (Unaudited)[†]

United States	90%
Canada	4
Luxembourg	2
Cayman Islands	1
Netherlands	1
France	1
Puerto Rico	1
Total Investments	100%
[†] % of total investments as of December 31, 2017	

See Notes to Financial Statements.

VIRTUS SEIX FLOATING RATE HIGH INCOME FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	\$ 6,942	\$ —	\$ 3,032	\$ 3,910
Corporate Bonds And Notes	221,595	—	186,056	35,539
Leveraged Loans	5,427,075	—	5,350,733	76,342
Equity Securities:				
Common Stocks	43,919	37,274	—	6,645
Preferred Stock	882	882	—	—
Right	370	—	—	370
Short-Term Investment	545,542	545,542	—	—
Total Investments	<u>\$6,246,325</u>	<u>\$583,698</u>	<u>\$5,539,821</u>	<u>\$122,806</u>

Securities held by the Fund with an end of period value of \$370 were transferred from Level 1 to Level 3 based on our valuation procedures for non-U.S. securities. Securities held by the Fund with an end of period value of \$19,069 were transferred from Level 2 to Level 3 due to a decrease in trading activities at period end.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

	Total	Asset-Backed Securities	Corporate Bonds And Notes	Leveraged Loans	Common Stocks	Right
Investments in Securities						
Balance as of March 31, 2017:	\$ 44,142	\$ —	\$ 44,142	\$ —	\$ —	\$ —
Accrued discount/(premium)	71	2	43	26	—	—
Realized gain (loss)	20	—	20	—	—	—
Change in unrealized appreciation (depreciation) ^(c)	442	(2)	296	148	—	—
Purchases	67,019	3,910	(650)	63,759	—	—
Sales ^(b)	(8,327)	—	(8,312)	(15)	—	—
Transfers into Level 3 ^(a)	19,439	—	—	12,424	6,645	370
Transfers from Level 3 ^(a)	—	—	—	—	—	—
Balance as of December 31, 2017	<u>\$122,806</u>	<u>\$3,910</u>	<u>\$35,539^(d)</u>	<u>\$76,342</u>	<u>\$6,645</u>	<u>\$370</u>

^(a) "Transfers into and/or from" represent the ending value as of December 31, 2017, for any investment security where a change in the pricing level occurred from the beginning to the end of the period."

^(b) Includes paydowns on securities.

^(c) Included in the related net change in unrealized appreciation (depreciation) in the Statements of Operations. The change in unrealized appreciation (depreciation) on investments still held at September 30, 2017, was \$442.

^(d) Includes internally fair valued security currently priced at \$0.

The Fund's investments that are categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

See Notes to Financial Statements.

VIRTUS SEIX GEORGIA TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
MUNICIPAL BONDS⁽¹⁾—95.3%					
Georgia—87.0%					
General Obligation—5.6%					
State of Georgia					
4.000%, 2/1/35	\$2,000	\$ 2,215			
Gwinnett County School District					
5.000%, 2/1/35	1,500	1,786			
County of Forsyth					
5.000%, 3/1/29	750	944			
		4,945			
General Revenue—29.9%					
Athens Housing Authority, UGA Real Estate Foundation, Inc. East Campus Housing Phase II LLC Project, 5.000%, 6/15/31	1,000	1,190			
Atlanta Development Authority					
5.000%, 7/1/34	1,000	1,169			
5.250%, 7/1/40	2,500	2,954			
Fulton County Development Authority, Georgia Tech Facilities, 5.000%, 5/1/39	2,145	2,430			
Robert Woodruff Arts Center, Inc., 5.000%, 3/15/36	2,000	2,293			
Robert Woodruff Arts Center, Inc., 5.250%, 3/15/24	1,145	1,193			
Tech Foundation Campus Recreation Center and Tech Square Project, 5.000%, 11/1/30	2,000	2,455			
Gwinnett County Development Authority					
Gwinnett College Student Housing Project, 5.000%, 7/1/30	2,230	2,676			
Gwinnett College Student Center Project, 5.000%, 7/1/33	500	592			
Private Colleges & Universities Authority, Savannah College of Art and Design Project, 5.000%, 4/1/30	1,000	1,115			
Savannah College of Art and Design Project, 5.000%, 4/1/44	3,500	3,819			
Emory University, 5.000%, 10/1/38	4,000	4,764			
		26,650			
Healthcare Revenue—11.6%					
Athens-Clarke County Unified Government Development Authority, Catholic Health East, 6.250%, 11/15/32	1,305	1,386			
Carroll City-County Hospital Authority, Tanner Medical Center, Inc., (Country Guaranteed Insured) 5.000%, 7/1/41	3,000	3,444			
DeKalb Private Hospital Authority, Children's Healthcare of Atlanta, Inc., 5.000%, 11/15/29	2,000	2,132			
Greene County Development Authority Catholic Health East, 5.000%, 11/15/37	2,955	3,335			
		10,297			
Georgia—continued					
Pre-Refunded—18.2%					
Athens-Clarke County Unified Government Development Authority, University of Georgia Athletic Association Project, (Pre-refunded 7/1/21 @ 100) 5.250%, 7/1/27			\$2,885	\$ 3,216	
Athens-Clarke County (Pre-refunded 1/1/19 @ 100) 5.625%, 1/1/33			3,000	3,123	
(Pre-refunded 1/1/19 @ 100) 5.500%, 1/1/38			4,000	4,159	
Clarke County Hospital Authority Athens Regional Medical Center, (Country Guaranteed Insured) (Pre-refunded 1/1/22 @ 100) 5.000%, 1/1/32			1,180	1,326	
Metropolitan Atlanta Rapid Transit Authority Third Indenture, (Pre-refunded 7/1/22 @ 100) 5.000%, 7/1/30			1,465	1,665	
Thomasville Hospital Authority, (Pre-refunded 11/2/20 @ 100) 5.375%, 11/1/40			2,510	2,757	
				16,246	
Tax Allocation Revenue—6.3%					
City of Atlanta, Eastside Project, 5.000%, 1/1/28			850	1,000	
Eastside Project, 5.000%, 1/1/30			250	291	
Beltline Project, 5.000%, 1/1/28			855	1,015	
Beltline Project, 5.000%, 1/1/30			1,055	1,239	
Beltline Project, 5.000%, 1/1/31			1,500	1,754	
Atlantic Station Project, 5.000%, 12/1/24			300	350	
				5,649	
Transportation Revenue—4.1%					
City of Atlanta Department of Aviation, 5.000%, 1/1/42			2,235	2,496	
5.000%, 1/1/32			1,000	1,167	
				3,663	
Water & Sewer Revenue—11.3%					
City of Atlanta, 5.000%, 11/1/40			4,000	4,657	
Athens-Clarke County 5.000%, 1/1/24			1,250	1,473	
Henry County Water & Sewerage Authority (AMBAC Insured) 6.150%, 2/1/20			2,100	2,213	

See Notes to Financial Statements.

VIRTUS SEIX GEORGIA TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Shares	Value
Georgia—continued					
Water & Sewer Revenue—continued					
Board of Water Light & Sinking Fund Commissioners of the City of Dalton 5.000%, 3/1/30	\$1,400	\$ 1,686			
		10,029			
		77,479			
North Carolina—2.1%					
General Revenue—2.1%					
North Carolina Capital Facilities Finance Agency, High Point University, 5.000%, 5/1/32	1,700	1,833			
South Carolina—2.3%					
Electric Revenue—2.3%					
South Carolina Public Service Authority 5.750%, 12/1/43	1,800	2,086			
Virginia—3.9%					
Healthcare Revenue—0.5%					
Virginia Commonwealth University Health System Authority 5.000%, 7/1/33	385	458			
Transportation Revenue—3.4%					
Virginia Small Business Financing Authority, Senior Lien, 5.000%, 7/1/34	2,805	3,036			
		3,494			
TOTAL MUNICIPAL BONDS					
(Identified Cost \$81,370)		84,892			
TOTAL LONG-TERM INVESTMENTS—95.3%					
(Identified Cost \$81,370)		84,892			
SHORT-TERM INVESTMENT—3.0%					
Money Market Mutual Fund—3.0%					
Dreyfus AMT-Free Tax Exempt Cash Management (seven-day effective yield 1.270%) ⁽²⁾			2,725,623		\$ 2,726
TOTAL SHORT-TERM INVESTMENT					2,726
(Identified Cost \$2,726)					
TOTAL INVESTMENTS—98.3%					
(Identified Cost \$84,096)					\$87,618
Other assets and liabilities, net—1.7%					1,492
NET ASSETS—100.0%					\$89,110
Abbreviation: AMBAC American Municipal Bond Assurance Corp.					
Footnote Legend:					
⁽¹⁾ At December 31, 2017, 8.0% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies.					
⁽²⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.					

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Municipal Bonds	\$84,892	\$ —	\$84,892	\$—
Short-Term Investment	2,726	2,726	—	—
Total Investments	\$87,618	\$2,726	\$84,892	\$—

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX HIGH GRADE MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
MUNICIPAL BONDS⁽¹⁾—97.1%			Colorado—continued		
Alabama—5.3%			University of Colorado Revenue, 4.000%, 6/1/36	\$1,355	\$ 1,496
Birmingham Alabama Special Care Facilities Financing Authority, Childrens Hospital Revenue, (AGC Insured) (Pre-refunded 6/1/19 @ 100), 6.000%, 6/1/39	\$2,000	\$ 2,123			2,667
County of Jefferson, Sales Tax Revenue, 5.000%, 9/15/33	1,000	1,167	Connecticut—1.0%		
Jefferson County Revenue, 5.000%, 9/15/35	1,000	1,160	Connecticut State Health & Educational Facility Authority, Sacred Heart University Revenue, 5.000%, 7/1/42	750	874
		4,450			
Alaska—2.6%			District of Columbia—2.6%		
Matanuska-Susitna of Borough Revenue, (AGC Insured) (Pre-refunded 9/1/19 @ 100), 6.000%, 9/1/28	1,270	1,361	Columbia District Revenue, 5.500%, 12/1/30	2,000	2,145
(AGC Insured) (Pre-refunded 9/1/19 @ 100), 6.000%, 9/1/28	730	783			
		2,144	Florida—1.4%		
California—19.2%			Orlando City Revenue, (Pre-refunded 5/1/24 @ 100), 5.250%, 11/1/32	1,000	1,201
California Infrastructure & Economic Development Bank, Academy Motion Picture Arts Revenue, 5.000%, 11/1/34	1,000	1,151			
California Municipal Finance Authority, Bowles Hall Foundation Revenue, 5.000%, 6/1/50	1,750	1,920	Georgia—1.7%		
California State of, General Obligation, 5.000%, 9/1/19	1,500	1,584	Fulton County Development Authority, Georgia Tech Athletic Association Revenue, 5.750%, 10/1/36	1,250	1,391
General Obligation, 5.000%, 8/1/24	2,500	2,982			
General Obligation, 5.000%, 9/1/30	1,000	1,113	Idaho—4.5%		
General Obligation, 6.500%, 4/1/33	2,000	2,125	Idaho Health Facilities Authority Revenue, 6.750%, 11/1/37	2,500	2,606
Chabot-Las Positas Community College District, General Obligation, 4.000%, 8/1/47	1,500	1,624	5.000%, 12/1/42	1,000	1,167
Los Angeles Community College District, General Obligation, 4.000%, 8/1/39	1,195	1,305			3,773
Los Angeles Department of Airports, Los Angeles International Airport Revenue, 5.000%, 5/15/35	1,000	1,176	Illinois—7.5%		
San Diego Redevelopment Agency Successor Agency, 5.000%, 9/1/28	500	602	Chicago O'Hare International Airport Revenue, 5.000%, 1/1/33	1,100	1,246
5.000%, 9/1/29	405	485	5.000%, 1/1/33	3,500	4,020
		16,067	University of Illinois Revenue, (Pre-refunded 4/1/19 @ 100), 5.750%, 4/1/38	1,000	1,052
Colorado—3.2%					6,318
Colorado Educational & Cultural Facilities Authority, University of Denver Project Revenue, 5.000%, 3/1/43	1,000	1,171	Indiana—4.4%		
			Indiana Finance Authority Revenue, 5.000%, 6/1/32	3,000	3,672
			Louisiana—1.1%		
			Jefferson Sales Tax District Revenue, (AGM Insured), 5.000%, 12/1/42	775	920
			Maine—3.2%		
			Maine Turnpike Authority Revenue (Pre-refunded 7/1/19 @ 100), 6.000%, 7/1/38	2,500	2,663
			Maryland—5.9%		
			Maryland Health & Higher Educational Facilities Authority, Lifebridge Health Revenue, 4.000%, 7/1/35	300	321
			Lifebridge Health Revenue, 4.000%, 7/1/36	1,060	1,129

See Notes to Financial Statements.

VIRTUS SEIX HIGH GRADE MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Maryland—continued					
Lifebridge Health Revenue, 5.000%, 7/1/44	\$3,050	\$ 3,537			
		4,987			
Massachusetts—1.3%					
Commonwealth of Massachusetts Transportation Fund Revenue, 4.000%, 6/1/35	1,000	1,104			
Missouri—3.5%					
Metropolitan St Louis Sewer District Revenue, 5.000%, 5/1/36	2,500	2,951			
New Jersey—2.8%					
New Jersey Turnpike Authority, Toll Highway Revenue, 5.000%, 1/1/37	2,000	2,383			
New York—5.4%					
Long Island Power Authority Revenue, 5.000%, 9/1/47	1,500	1,760			
New York City Transitional Finance Authority Future Tax Secured Revenue, 5.000%, 11/1/29	1,000	1,224			
New York State Dormitory Authority, Sales Tax Revenue, 5.000%, 3/15/33	1,250	1,505			
		4,489			
North Carolina—3.8%					
City of Charlotte Water & Sewer System Revenue, 1.310%, 7/1/36	3,210	3,210			
Oklahoma—1.2%					
Oklahoma Turnpike Authority Revenue, 4.000%, 1/1/42	100	109			
5.000%, 1/1/47	750	887			
		996			
Oregon—7.9%					
Oregon State Facilities Authority, Reed College Project Revenue, 5.000%, 7/1/47	1,000	1,192			
Port of Portland Airport Revenue, 5.000%, 7/1/42	1,000	1,158			
5.000%, 7/1/47	1,000	1,173			
Washington Multnomah & Yamhill Country School District, General Obligation (SCH BD GTY Insured), 5.000%, 6/15/27	2,500	3,128			
		6,651			
Pennsylvania—3.6%					
Pennsylvania Turnpike Commission, Toll Highway Revenue, 5.000%, 12/1/34	1,490	1,749			
Pennsylvania—continued					
Toll Highway Revenue, 6.375%, 12/1/38	\$1,000	\$ 1,277			
		3,026			
Texas—2.0%					
Arlington Higher Education Finance Corp, Life School Revenue (PSF-GTD Insured), 5.000%, 8/15/39	1,000	1,137			
Harris County Cultural Education Facilities Finance Corp. Teco Project Revenue, 4.000%, 11/15/36	500	534			
		1,671			
Washington—2.0%					
City of Seattle Municipal Light & Power Revenue, (BHAC Insured) (Pre-refunded 4/1/19 @ 100), 5.750%, 4/1/29	1,635	1,720			
TOTAL MUNICIPAL BONDS					
(Identified Cost \$79,025)					81,473
TOTAL LONG-TERM INVESTMENTS—97.1%					81,473
(Identified Cost \$79,025)					81,473
Shares					
SHORT-TERM INVESTMENT—2.4%					
MONEY MARKET MUTUAL FUND—2.4%					
Dreyfus AMT-Free Tax Exempt Cash Management (seven-day effective yield 1.270%) ⁽²⁾	1,986,649	1,987			
TOTAL SHORT-TERM INVESTMENT					
(Identified Cost \$1,987)					1,987
TOTAL INVESTMENTS—99.5%					
(Identified Cost \$81,012)					\$83,460
Other assets and liabilities, net—0.5%					399
NET ASSETS—100.0%					\$83,859

Abbreviations:

AGC Assured Guaranty Corp.
AGM Assured Guaranty Municipal Corp.
BHAC Berkshire Hathaway Assurance Corp.
PSF-GTD Permanent School Fund Guarantee Program
SCH BD GTY School Bond Guaranty

Footnote Legend:

⁽¹⁾ At December 31, 2017, 13.4% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies. None of the Insurers concentration exceeds 10% of the Fund's net assets.

⁽²⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

See Notes to Financial Statements.

VIRTUS SEIX HIGH GRADE MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	<u>Total Value at December 31, 2017</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Debt Securities:				
Municipal Bonds	\$81,473	\$ —	\$81,473	\$—
Short-Term Investment	<u>1,987</u>	<u>1,987</u>	<u>—</u>	<u>—</u>
Total Investments	<u>\$83,460</u>	<u>\$1,987</u>	<u>\$81,473</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
CORPORATE BONDS AND NOTES—90.9%			Consumer Discretionary—continued		
Consumer Discretionary—16.0%			New Red Finance, Inc. 144A		
American Axle & Manufacturing, Inc.			5.000%, 10/15/25 ⁽¹⁾	\$ 3,279	\$ 3,304
144A 6.250%, 4/1/25 ⁽¹⁾	\$ 719	\$ 757	Penske Automotive Group, Inc.		
144A 6.500%, 4/1/27 ⁽¹⁾	1,729	1,830	5.375%, 12/1/24	1,310	1,330
CalAtlantic Group, Inc.			PetSmart, Inc.		
5.875%, 11/15/24	1,650	1,834	144A 7.125%, 3/15/23 ⁽¹⁾	560	332
5.000%, 6/15/27	925	960	144A 5.875%, 6/1/25 ⁽¹⁾	1,465	1,124
CCO Holdings LLC			PulteGroup, Inc.		
5.750%, 9/1/23	505	518	5.500%, 3/1/26	695	756
144A 5.750%, 2/15/26 ⁽¹⁾	1,405	1,459	Sears Holdings Corp.		
144A 5.125%, 5/1/27 ⁽¹⁾	2,405	2,369	8.000%, 12/15/19	2,901	1,476
Century Communities, Inc.			Service Corp. International/US		
6.875%, 5/15/22	2,180	2,289	4.625%, 12/15/27	905	918
5.875%, 7/15/25	1,593	1,601	SFR Group SA		
Cequel Communications Holdings I LLC 144A			144A 6.000%, 5/15/22 ⁽¹⁾	600	607
6.375%, 9/15/20 ⁽¹⁾	224	227	144A 7.375%, 5/1/26 ⁽¹⁾	2,650	2,729
Clear Channel Worldwide Holdings, Inc.			Shea Homes LP 144A		
7.625%, 3/15/20	550	539	5.875%, 4/1/23 ⁽¹⁾	1,665	1,727
6.500%, 11/15/22	975	991	Taylor Morrison Communities, Inc. 144A		
DISH DBS Corp.			5.250%, 4/15/21 ⁽¹⁾	935	954
7.875%, 9/1/19	1,160	1,241	Telenet Finance Luxembourg Notes Sarl 144A		
7.750%, 7/1/26	800	841	5.500%, 3/1/28 ⁽¹⁾	1,000	997
Downstream Development Authority of the Quapaw			TI Group Automotive Systems LLC 144A		
Tribe of Oklahoma 144A			8.750%, 7/15/23 ⁽¹⁾	474	508
10.500%, 7/1/19 ⁽¹⁾	885	867	TRI Pointe Group, Inc.		
DriveTime Automotive Group, Inc. 144A			4.875%, 7/1/21	2,441	2,532
8.000%, 6/1/21 ⁽¹⁾	1,290	1,290	5.875%, 6/15/24	2,075	2,215
Eldorado Resorts, Inc.			5.250%, 6/1/27	1,850	1,897
6.000%, 4/1/25	1,460	1,526	Univision Communications, Inc. 144A		
Gateway Casinos & Entertainment Ltd. 144A			6.750%, 9/15/22 ⁽¹⁾	463	481
8.250%, 3/1/24 ⁽¹⁾	1,340	1,434	Viacom, Inc.		
Golden Nugget, Inc. 144A			6.250%, 2/28/57	1,565	1,528
6.750%, 10/15/24 ⁽¹⁾	1,090	1,109	Weight Watchers International, Inc. 144A		
Hilton Grand Vacations Borrower LLC 144A			8.625%, 12/1/25 ⁽¹⁾	1,490	1,557
6.125%, 12/1/24 ⁽¹⁾	820	896	WMG Acquisition Corp. 144A		
Intelsat Jackson Holdings SA			5.625%, 4/15/22 ⁽¹⁾	1,600	1,648
7.250%, 10/15/20	740	696	Ziggo Bond Finance BV 144A		
KFC Holding Co. 144A			5.875%, 1/15/25 ⁽¹⁾	1,350	1,330
4.750%, 6/1/27 ⁽¹⁾	391	400	Ziggo Secured Finance BV 144A		
L Brands, Inc.			5.500%, 1/15/27 ⁽¹⁾	1,090	1,089
6.875%, 11/1/35	570	576			
6.750%, 7/1/36	625	625			70,031
Lee Enterprises, Inc. 144A			Consumer Staples—3.8%		
9.500%, 3/15/22 ⁽¹⁾	435	450	Albertsons Cos. LLC		
Lions Gate Entertainment Corp. 144A			6.625%, 6/15/24		
5.875%, 11/1/24 ⁽¹⁾	1,405	1,484	JBS USA LUX SA 144A		
Lithia Motors, Inc. 144A			8.250%, 2/1/20 ⁽¹⁾		
5.250%, 8/1/25 ⁽¹⁾	895	933	New Albertson's, Inc.		
Matthews International Corp. 144A			7.450%, 8/1/29		
5.250%, 12/1/25 ⁽¹⁾	865	874	Pilgrim's Pride Corp.		
MGM Resorts International			144A 5.750%, 3/15/25 ⁽¹⁾		
7.750%, 3/15/22	3,305	3,768	144A 5.875%, 9/30/27 ⁽¹⁾		
6.000%, 3/15/23	1,655	1,787	Post Holdings, Inc.		
Mohegan Gaming & Entertainment 144A			144A 5.500%, 3/1/25 ⁽¹⁾		
7.875%, 10/15/24 ⁽¹⁾	1,265	1,297	144A 8.000%, 7/15/25 ⁽¹⁾		
Motors Liquidation Co. Escrow			144A 5.750%, 3/1/27 ⁽¹⁾		
7.200%, 2/15/40 ⁽²⁾⁽³⁾	17,182	—	Rite Aid Corp.		
8.375%, 2/15/40 ⁽²⁾⁽³⁾	36,800	—	6.750%, 6/15/21		
Murphy Oil USA, Inc.			144A 6.125%, 4/1/23 ⁽¹⁾		
5.625%, 5/1/27	379	398			
New Home Co., Inc. (The)					
7.250%, 4/1/22	1,075	1,126			

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Consumer Staples—continued			Energy—continued		
US Foods, Inc. 144A			144A 7.125%, 1/15/26 ⁽¹⁾	\$ 356	\$ 363
5.875%, 6/15/24 ⁽¹⁾	\$ 2,116	\$ 2,222	Pride International LLC		
		16,513	7.875%, 8/15/40	1,400	1,185
			Range Resources Corp.		
			5.750%, 6/1/21	2,819	2,925
			5.875%, 7/1/22	630	643
Energy—17.0%			Rockies Express Pipeline LLC		
Antero Resources Corp.			144A 6.850%, 7/15/18 ⁽¹⁾	1,241	1,263
5.625%, 6/1/23	200	208	144A 6.000%, 1/15/19 ⁽¹⁾	2,635	2,707
5.000%, 3/1/25	1,020	1,040	144A 5.625%, 4/15/20 ⁽¹⁾	390	408
California Resources Corp. 144A			Rowan Cos, Inc.		
8.000%, 12/15/22 ⁽¹⁾	2,504	2,066	4.875%, 6/1/22	2,504	2,360
Centennial Resource Production LLC 144A			4.750%, 1/15/24	1,210	1,065
5.375%, 1/15/26 ⁽¹⁾	1,315	1,340	5.850%, 1/15/44	1,410	1,100
Cheniere Corpus Christi Holdings LLC			SandRidge Energy, Inc.		
7.000%, 6/30/24	2,110	2,401	8.125%, 1/15/19 ⁽²⁾⁽³⁾	1,935	—
5.125%, 6/30/27	1,328	1,374	SESI LLC		
Chesapeake Energy Corp.			7.125%, 12/15/21	1,160	1,189
144A 8.000%, 12/15/22 ⁽¹⁾	2,581	2,784	144A 7.500%, 9/15/24 ⁽¹⁾	1,925	2,045
144A 8.000%, 1/15/25 ⁽¹⁾	1,180	1,190	Seven Generations Energy Ltd. 144A		
144A 8.000%, 6/15/27 ⁽¹⁾	1,405	1,349	6.750%, 5/1/23 ⁽¹⁾	1,161	1,234
CNX Resources Corp.			Southwestern Energy Co.		
8.000%, 4/1/23	3,415	3,661	7.500%, 4/1/26	1,850	1,966
CONSOL Energy, Inc. 144A			Tallgrass Energy Partners LP		
11.000%, 11/15/25 ⁽¹⁾	1,680	1,764	144A 5.500%, 9/15/24 ⁽¹⁾	585	600
Crestwood Midstream Partners LP			144A 5.500%, 1/15/28 ⁽¹⁾	930	941
5.750%, 4/1/25	1,166	1,204	Transocean, Inc.		
Denbury Resources, Inc. 144A			7.500%, 4/15/31	905	805
9.000%, 5/15/21 ⁽¹⁾	875	894	6.800%, 3/15/38	1,025	826
Diamond Offshore Drilling, Inc.			Whiting Petroleum Corp. 144A		
7.875%, 8/15/25	945	992	6.625%, 1/15/26 ⁽¹⁾	900	918
Diamondback Energy, Inc.					74,689
4.750%, 11/1/24	998	1,002	Financials—14.7%		
5.375%, 5/31/25	2,083	2,143	Ally Financial, Inc.		
Eclipse Resources Corp.			5.750%, 11/20/25	1,045	1,139
8.875%, 7/15/23	1,680	1,724	8.000%, 11/1/31	450	585
Endeavor Energy Resources LP			CRC Escrow Issuer LLC 144A		
144A 5.500%, 1/30/26 ⁽¹⁾	675	687	5.250%, 10/15/25 ⁽¹⁾	1,785	1,803
144A 5.750%, 1/30/28 ⁽¹⁾	665	683	CSC Holdings LLC		
Enesco plc			144A 10.125%, 1/15/23 ⁽¹⁾	1,200	1,352
8.000%, 1/31/24	2,858	2,865	144A 10.875%, 10/15/25 ⁽¹⁾	2,605	3,093
5.750%, 10/1/44	2,065	1,414	Deck Chassis Acquisition, Inc. 144A		
FTS International, Inc. (3 month LIBOR + 7.500%) 144A			10.000%, 6/15/23 ⁽¹⁾	1,423	1,583
9.088%, 6/15/20 ⁽¹⁾⁽⁴⁾	1,160	1,183	Delphi Technologies plc 144A		
Hornbeck Offshore Services, Inc.			5.000%, 10/1/25 ⁽¹⁾	465	471
5.875%, 4/1/20	2,302	1,537	Diamond Resorts International, Inc. 144A		
5.000%, 3/1/21	1,960	1,029	10.750%, 9/1/24 ⁽¹⁾	1,055	1,130
MEG Energy Corp.			Hilcorp Energy I LP 144A		
144A 7.000%, 3/31/24 ⁽¹⁾	2,830	2,388	5.750%, 10/1/25 ⁽¹⁾	3,515	3,594
144A 6.500%, 1/15/25 ⁽¹⁾	1,795	1,773	Jefferies Finance LLC 144A		
Murphy Oil Corp.			7.375%, 4/1/20 ⁽¹⁾	2,050	2,109
5.750%, 8/15/25	1,870	1,912	KCA Deutag UK Finance plc		
Nabors Industries, Inc.			144A 7.250%, 5/15/21 ⁽¹⁾	555	538
5.500%, 1/15/23	1,569	1,518	144A 9.875%, 4/1/22 ⁽¹⁾	1,960	2,078
NGPL PipeCo LLC 144A			Ladder Capital Finance Holdings LLLP 144A		
4.375%, 8/15/22 ⁽¹⁾	196	199	5.250%, 10/1/25 ⁽¹⁾	1,220	1,214
Parsley Energy LLC 144A			MGIC Investment Corp.		
5.625%, 10/15/27 ⁽¹⁾	950	971	5.750%, 8/15/23	1,640	1,794
Petrobras Global Finance BV			Nationstar Mortgage LLC		
8.375%, 5/23/21	1,990	2,270	6.500%, 8/1/18	5,200	5,209
7.375%, 1/17/27	800	881	9.625%, 5/1/19	1,025	1,054
Precision Drilling Corp.					
6.500%, 12/15/21	844	860			
7.750%, 12/15/23	800	840			

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Financials—continued			Health Care—continued		
7.875%, 10/1/20	\$ 3,890	\$ 3,973	Valeant Pharmaceuticals International, Inc.		
6.500%, 7/1/21	1,806	1,831	144A 7.500%, 7/15/21 ⁽¹⁾	\$ 3,870	\$ 3,943
6.500%, 6/1/22	827	835	144A 6.125%, 4/15/25 ⁽¹⁾	2,470	2,260
Navient Corp.			144A 9.000%, 12/15/25 ⁽¹⁾	1,450	1,511
8.450%, 6/15/18	1,805	1,851	WellCare Health Plans, Inc.		
5.500%, 1/15/19	875	890	5.250%, 4/1/25	2,245	2,369
8.000%, 3/25/20	2,545	2,752		<u>32,561</u>	
Ocwen Loan Servicing LLC 144A			Industrials—10.3%		
8.375%, 11/15/22 ⁽¹⁾	4,845	4,966	AECOM		
OneMain Financial Holdings LLC 144A			5.125%, 3/15/27	1,653	1,684
7.250%, 12/15/21 ⁽¹⁾	1,625	1,689	Air Canada Pass-Through-Trust		
Provident Funding Associates LP 144A			2013-1, C		
6.375%, 6/15/25 ⁽¹⁾	404	424	144A 6.625%, 5/15/18 ⁽¹⁾	875	889
Quicken Loans, Inc.			2015-1, C		
144A 5.750%, 5/1/25 ⁽¹⁾	3,745	3,876	144A 5.000%, 3/15/20 ⁽¹⁾	543	555
144A 5.250%, 1/15/28 ⁽¹⁾	860	849	Allison Transmission, Inc. 144A		
Silversea Cruise Finance Ltd. 144A			5.000%, 10/1/24 ⁽¹⁾	1,985	2,047
7.250%, 2/1/25 ⁽¹⁾	1,340	1,444	AmeriGas Partners LP		
Surgey Center Holdings, Inc. 144A			5.750%, 5/20/27	1,605	1,621
6.750%, 7/1/25 ⁽¹⁾	1,565	1,479	Bombardier, Inc.		
Team Health Holdings, Inc. 144A			144A 7.750%, 3/15/20 ⁽¹⁾	585	629
6.375%, 2/1/25 ⁽¹⁾	1,005	897	144A 8.750%, 12/1/21 ⁽¹⁾	1,475	1,622
TRU Taj LLC 144A			144A 7.500%, 3/15/25 ⁽¹⁾	2,205	2,221
12.000%, 8/15/21 ⁽¹⁾⁽³⁾	1,565	1,448	Donnelley Financial Solutions, Inc.		
VFH Parent LLC 144A			8.250%, 10/15/24	1,100	1,177
6.750%, 6/15/22 ⁽¹⁾	1,300	1,368	Engility Corp.		
Viking Cruises Ltd. 144A			8.875%, 9/1/24	1,645	1,758
5.875%, 9/15/27 ⁽¹⁾	880	895	Gartner, Inc. 144A		
Walter Investment Management Corp.			5.125%, 4/1/25 ⁽¹⁾	775	810
7.875%, 12/15/21 ⁽³⁾	4,350	2,632	GFL Environmental, Inc. 144A		
West Corp. 144A			9.875%, 2/1/21 ⁽¹⁾	1,685	1,775
8.500%, 10/15/25 ⁽¹⁾	1,465	1,447	Global Ship Lease, Inc. 144A		
		<u>64,292</u>	9.875%, 11/15/22 ⁽¹⁾	730	755
Health Care—7.4%			Grinding Media, Inc. 144A		
Centene Corp.			7.375%, 12/15/23 ⁽¹⁾	1,094	1,175
5.625%, 2/15/21	2,530	2,600	Harland Clarke Holdings Corp.		
DaVita, Inc.			144A 6.875%, 3/1/20 ⁽¹⁾	1,680	1,714
5.750%, 8/15/22	1,405	1,445	144A 8.375%, 8/15/22 ⁽¹⁾	3,985	4,138
5.000%, 5/1/25	3,865	3,864	HC2 Holdings, Inc. 144A		
Endo Finance LLC 144A			11.000%, 12/1/19 ⁽¹⁾	1,125	1,143
7.250%, 1/15/22 ⁽¹⁾	960	830	Herc Rentals, Inc. 144A		
Envision Healthcare Corp.			7.500%, 6/1/22 ⁽¹⁾	1,236	1,332
5.625%, 7/15/22	1,135	1,146	Jack Ohio Finance LLC 144A		
Greatbatch Ltd. 144A			10.250%, 11/15/22 ⁽¹⁾	1,207	1,319
9.125%, 11/1/23 ⁽¹⁾	1,872	2,031	KAR Auction Services, Inc. 144A		
HCA Healthcare, Inc.			5.125%, 6/1/25 ⁽¹⁾	1,555	1,594
6.250%, 2/15/21	1,465	1,553	Laureate Education, Inc. 144A		
HCA, Inc.			8.250%, 5/1/25 ⁽¹⁾	1,133	1,201
6.500%, 2/15/20	1,115	1,182	Navistar International Corp. 144A		
5.250%, 6/15/26	895	949	6.625%, 11/1/25 ⁽¹⁾	885	923
7.500%, 11/6/33	420	470	Plastipak Holdings, Inc. 144A		
7.500%, 11/15/95	455	465	6.250%, 10/15/25 ⁽¹⁾	1,098	1,128
Hologic, Inc. 144A			Prime Security Services Borrower LLC 144A		
4.375%, 10/15/25 ⁽¹⁾	1,420	1,441	9.250%, 5/15/23 ⁽¹⁾	1,015	1,127
inVentiv Group Holdings, Inc. 144A			Ritchie Bros Auctioneers, Inc. 144A		
7.500%, 10/1/24 ⁽¹⁾	576	622	5.375%, 1/15/25 ⁽¹⁾	850	878
Kindred Healthcare, Inc.			United Airlines, Inc. Pass-Through-Trust 2014-1, B		
8.000%, 1/15/20	1,935	2,097	4.750%, 4/11/22	2,428	2,512
8.750%, 1/15/23	440	466	Univar USA, Inc. 144A		
Teleflex, Inc.			6.750%, 7/15/23 ⁽¹⁾	1,505	1,573
5.250%, 6/15/24	1,263	1,317			

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
Industrials—continued			Real Estate—continued		
US Airways, Inc. Pass-Through-Trust 2012-2, B 6.750%, 6/3/21	\$ 2,644	\$ 2,871	Sabra Health Care LP 5.125%, 8/15/26	\$ 1,675	\$ 1,698
Wabash National Corp. 144A 5.500%, 10/1/25 ⁽¹⁾	1,440	1,451	SBA Communications Corp. 4.875%, 9/1/24	920	945
WESCO Distribution, Inc. 5.375%, 6/15/24	1,275	1,310	144A 4.000%, 10/1/22 ⁽¹⁾	1,786	1,788
		<u>44,932</u>	Starwood Property Trust, Inc. 5.000%, 12/15/21	3,488	3,619
					<u>21,597</u>
Information Technology—4.5%			Telecommunication Services—6.4%		
Alliance Data Systems Corp. 144A 5.875%, 11/1/21 ⁽¹⁾	4,690	4,807	Altice Financing SA 144A 6.625%, 2/15/23 ⁽¹⁾	995	1,042
144A 5.375%, 8/1/22 ⁽¹⁾	1,610	1,622	Altice Luxembourg SA 144A 7.750%, 5/15/22 ⁽¹⁾	2,875	2,817
Conduent Finance, Inc. 144A 10.500%, 12/15/24 ⁽¹⁾	1,118	1,312	144A 7.625%, 2/15/25 ⁽¹⁾	955	914
Dell International LLC 144A 7.125%, 6/15/24 ⁽¹⁾	1,475	1,615	CB Escrow Corp. 144A 8.000%, 10/15/25 ⁽¹⁾	1,155	1,172
Dell, Inc. 6.500%, 4/15/38	867	882	CenturyLink, Inc. 5.625%, 4/1/20	470	474
First Data Corp. 144A 5.375%, 8/15/23 ⁽¹⁾	1,620	1,686	6.750%, 12/1/23	1,855	1,818
144A 7.000%, 12/1/23 ⁽¹⁾	1,205	1,274	7.500%, 4/1/24	675	673
Nuance Communications, Inc. 5.625%, 12/15/26	1,176	1,225	Cequel Communications Holdings I LLC 144A 7.750%, 7/15/25 ⁽¹⁾	440	471
Quintiles IMS, Inc. 144A 5.000%, 10/15/26 ⁽¹⁾	1,390	1,425	Cincinnati Bell, Inc. 144A 7.000%, 7/15/24 ⁽¹⁾	3,830	3,801
Western Digital Corp. 10.500%, 4/1/24	3,400	3,940	Cogent Communications Finance, Inc. 144A 5.625%, 4/15/21 ⁽¹⁾	745	752
		<u>19,788</u>	Cogent Communications Group, Inc. 144A 5.375%, 3/1/22 ⁽¹⁾	520	546
			Intelsat Jackson Holdings SA 144A 9.500%, 9/30/22 ⁽¹⁾	410	473
Materials—3.6%			144A 9.750%, 7/15/25 ⁽¹⁾	1,025	987
Axalta Coating Systems LLC 144A 4.875%, 8/15/24 ⁽¹⁾	2,380	2,499	Level 3 Financing, Inc. 5.375%, 5/1/25	1,145	1,144
Big River Steel LLC 144A 7.250%, 9/1/25 ⁽¹⁾	875	925	Level 3 Parent LLC 5.750%, 12/1/22	415	417
Blue Cube Spinco, Inc. 9.750%, 10/15/23	1,778	2,098	Sprint Capital Corp. 6.875%, 11/15/28	2,135	2,148
Chemours Co. (The) 7.000%, 5/15/25	2,295	2,490	Sprint Communications, Inc. 11.500%, 11/15/21	2,060	2,487
Enviva Partners LP 8.500%, 11/1/21	500	533	Sprint Corp. 7.875%, 9/15/23	1,830	1,949
Imperial Metals Corp. 144A 7.000%, 3/15/19 ⁽¹⁾	2,353	2,212	Trilogy International Partners LLC 144A 8.875%, 5/1/22 ⁽¹⁾	1,304	1,337
Kaiser Aluminum Corp. 5.875%, 5/15/24	1,469	1,561	UPC Holding BV 144A 5.500%, 1/15/28 ⁽¹⁾	2,725	2,650
Summit Materials LLC 8.500%, 4/15/22	1,845	2,043			<u>28,072</u>
TMS International Corp. 144A 7.250%, 8/15/25 ⁽¹⁾	843	881			
Valvoline, Inc. 5.500%, 7/15/24	322	342	Utilities—2.3%		
		<u>15,584</u>	Calpine Corp. 144A 5.250%, 6/1/26 ⁽¹⁾	725	711
			Foresight Energy LLC 144A 11.500%, 4/1/23 ⁽¹⁾	2,405	1,966
Real Estate—4.9%			NRG Energy, Inc. 6.250%, 7/15/22	570	593
Howard Hughes Corp. (The) 144A 5.375%, 3/15/25 ⁽¹⁾	3,832	3,928	7.250%, 5/15/26	1,900	2,069
iStar, Inc. 4.625%, 9/15/20	2,670	2,710	144A 5.750%, 1/15/28 ⁽¹⁾	520	525
6.500%, 7/1/21	3,353	3,483	NRG Yield Operating LLC 5.000%, 9/15/26	1,620	1,644
6.000%, 4/1/22	1,848	1,913	Talen Energy Supply LLC 144A 9.500%, 7/15/22 ⁽¹⁾	1,420	1,455
MPT Operating Partnership LP 5.000%, 10/15/27	1,485	1,513			

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Utilities—continued					
144A 10.500%, 1/15/26 ⁽¹⁾	\$ 1,270	\$ 1,257			
		10,220			
TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$388,464)		398,279			
LEVERAGED LOANS⁽⁴⁾—4.6%					
Cable/Wireless Video—0.2%					
Liberty Cablevision of Puerto Rico Tranche B, First Lien (3 month LIBOR + 3.500%) 4.859%, 1/7/22	1,005	972			
Energy—0.7%					
California Resources Corp. (1 month LIBOR + 10.375%) 11.876%, 12/31/22	1,430	1,568			
Chesapeake Energy Corp. Tranche A (3 month LIBOR + 7.500%) 8.954%, 8/23/21	1,180	1,254			
		2,822			
Financial—1.8%					
AltiSource Solutions S.a.r.l Tranche B (1 month LIBOR + 3.500%) 5.069%, 12/9/20	2,338	2,288			
Freedom Mortgage Corp. (3 month LIBOR + 5.500%) 6.956%, 2/23/22	1,028	1,042			
Ocwen Loan Servicing LLC (1 month LIBOR + 5.000%) 6.460%, 12/7/20	1,169	1,171			
USI, Inc. Tranche B (3 month LIBOR + 3.000%) 4.693%, 5/16/24	1,312	1,309			
Walter Investment Management Corp. Tranche B (1 month LIBOR + 3.750%) 5.319%, 12/18/20 ⁽⁵⁾	2,047	1,952			
		7,762			
Food/Tobacco—0.3%					
JBS USA LUX SA (3 month LIBOR + 2.500%) 4.100%, 10/30/22	1,389	1,364			
Gaming/Leisure—0.2%					
Eldorado Resorts, Inc. (1 month LIBOR + 2.250%) 3.750%, 4/17/24	881	881			
Healthcare—0.3%					
Centene Corp. (3 month LIBOR + 3.500%) 3.500%, 9/13/18 ⁽⁶⁾⁽⁷⁾	1,245	1,245			
Metals/Minerals—0.2%					
Foresight Energy LLC (3 month LIBOR + 5.750%) 7.443%, 3/28/22	1,131	1,059			
Retail—0.5%					
Sears Roebuck Acceptance Corp. 2016 (1 month LIBOR + 7.500%) 8.892%, 7/20/20	164	164			
Retail—continued					
2017 (3 month LIBOR + 4.500%) 6.069%, 1/20/19	\$ 2,134	\$ 2,145			
		2,309			
Service—0.1%					
Laureate Education, Inc. 2024 (1 month LIBOR + 4.500%) 6.069%, 4/26/24	432	435			
Telecommunications—0.3%					
CenturyLink, Inc. Tranche B (1 month LIBOR + 2.750%) 4.319%, 1/31/25	1,335	1,286			
TOTAL LEVERAGED LOANS (Identified Cost \$19,935)					20,135
			Shares		
PREFERRED STOCK—0.2%					
Financials—0.2%					
GMAC Capital Trust I Series 2, 7.201% ⁽⁴⁾	42,810	1,111			
TOTAL PREFERRED STOCK (Identified Cost \$1,071)					1,111
COMMON STOCKS—1.5%					
Consumer Discretionary—0.5%					
General Motors Co.	46,732	1,916			
Energy—1.0%					
Linn Energy, Inc. ⁽⁸⁾	83,395	3,357			
SandRidge Energy, Inc. ⁽⁸⁾	39,265	827			
Templar Energy LLC ⁽⁶⁾⁽⁸⁾	159,460	335			
		4,519			
TOTAL COMMON STOCKS (Identified Cost \$9,588)					6,435
WARRANTS—0.0%					
Energy—0.0%					
SandRidge Energy, Inc. ⁽⁸⁾	3,760	7			
SandRidge Energy, Inc. ⁽⁸⁾	1,583	2			
		9			
TOTAL WARRANTS (Identified Cost \$0)					9
TOTAL LONG-TERM INVESTMENTS—97.2% (Identified Cost \$419,058)					425,969

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Shares	Value
SHORT-TERM INVESTMENT—2.5%		
MONEY MARKET MUTUAL FUND—2.5%		
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽⁹⁾⁽¹⁰⁾	11,163,254	\$ 11,163
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$11,163)		11,163
TOTAL INVESTMENTS—99.7% (Identified Cost \$430,221)		\$437,132
Other assets and liabilities, net—0.3%		1,183
NET ASSETS—100.0%		\$438,315

Country Weightings (Unaudited)[†]

United States	84%
Canada	7
Luxembourg	3
Netherlands	2
United Kingdom	2
France	1
Cayman Islands	1
Total Investments	100%

[†] % of total investments as of December 31, 2017

Abbreviation:

LIBOR London Interbank Offered Rate

Footnote Legend:

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$212,188 or 48.4% of net assets.
- (2) Security valued at fair value as determined in good faith by or under the direction of the Trustees. This security is disclosed as a Level 3 security in the disclosure table located after the Schedule of Investments.
- (3) Security in default, no interest payments are being received during the bankruptcy proceedings.
- (4) Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (5) Security in default, interest payments are being received during the bankruptcy proceedings.
- (6) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (7) Represents unfunded portion of security and commitment fee earned on this portion.
- (8) Non-income producing security.
- (9) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.
- (10) All or a portion of the security is segregated as collateral for a delayed delivery transaction.

See Notes to Financial Statements.

VIRTUS SEIX HIGH INCOME FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Corporate Bonds And Notes	\$398,279	\$ —	\$398,279	\$ —
Leveraged Loans	20,135	—	18,890	1,245
Equity Securities:				
Common Stocks	6,435	6,100	—	335
Preferred Stock	1,111	1,111	—	—
Warrants	9	9	—	—
Short-Term Investment	11,163	11,163	—	—
Total Investments	<u>\$437,132</u>	<u>\$18,383</u>	<u>\$417,169</u>	<u>\$1,580</u>

Securities held by the Fund with an end of period value of \$9 were transferred from Level 2 to Level 1 based on our valuation procedures for non-U.S. securities. Securities held by the Fund with an end of period value of \$335 were transferred from Level 2 to Level 3 due to a decrease in trading activities at period end.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimis; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX HIGH YIELD FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
CORPORATE BONDS AND NOTES—91.1%			Consumer Discretionary—continued		
Consumer Discretionary—16.8%			Quebecor Media, Inc.		
American Axle & Manufacturing, Inc.			5.750%, 1/15/23	\$ 463	\$ 491
144A 6.250%, 4/1/25 ⁽¹⁾	\$ 705	\$ 742	Service Corp. International/US		
144A 6.500%, 4/1/27 ⁽¹⁾	1,745	1,848	4.625%, 12/15/27	905	918
CalAtlantic Group, Inc.			SFR Group SA 144A		
5.875%, 11/15/24	1,391	1,546	7.375%, 5/1/26 ⁽¹⁾	2,100	2,163
5.000%, 6/15/27	910	944	Shea Homes LP		
CCO Holdings LLC			144A 5.875%, 4/1/23 ⁽¹⁾	1,755	1,821
5.750%, 9/1/23	2,485	2,547	144A 6.125%, 4/1/25 ⁽¹⁾	1,755	1,825
144A 5.750%, 2/15/26 ⁽¹⁾	2,635	2,737	Six Flags Entertainment Corp. 144A		
144A 5.125%, 5/1/27 ⁽¹⁾	2,640	2,600	5.500%, 4/15/27 ⁽¹⁾	960	994
Century Communities, Inc.			Taylor Morrison Communities, Inc. 144A		
6.875%, 5/15/22	1,820	1,911	5.250%, 4/15/21 ⁽¹⁾	820	836
5.875%, 7/15/25	1,570	1,578	Telenet Finance Luxembourg Notes Sarl 144A		
Clear Channel Worldwide Holdings, Inc.			5.500%, 3/1/28 ⁽¹⁾	1,200	1,197
6.500%, 11/15/22	1,350	1,372	TI Group Automotive Systems LLC 144A		
DISH DBS Corp.			8.750%, 7/15/23 ⁽¹⁾	505	542
7.875%, 9/1/19	2,320	2,482	TRI Pointe Group, Inc.		
7.750%, 7/1/26	810	852	4.875%, 7/1/21	2,260	2,345
Dollar Tree Inc.			5.875%, 6/15/24	2,010	2,146
5.750%, 3/1/23	1,525	1,597	5.250%, 6/1/27	1,825	1,872
DriveTime Automotive Group, Inc. 144A			Univision Communications, Inc. 144A		
8.000%, 6/1/21 ⁽¹⁾	1,275	1,275	6.750%, 9/15/22 ⁽¹⁾	483	502
Eldorado Resorts, Inc.			Viacom, Inc.		
6.000%, 4/1/25	1,350	1,411	6.250%, 2/28/57	1,535	1,499
Hilton Grand Vacations Borrower LLC 144A			WMG Acquisition Corp.		
6.125%, 12/1/24 ⁽¹⁾	825	901	144A 5.625%, 4/15/22 ⁽¹⁾	1,408	1,450
Hilton Worldwide Finance LLC			144A 5.000%, 8/1/23 ⁽¹⁾	600	621
4.625%, 4/1/25	778	799	Ziggo Bond Finance BV 144A		
KFC Holding Co. 144A			5.875%, 1/15/25 ⁽¹⁾	815	803
4.750%, 6/1/27 ⁽¹⁾	378	387	Ziggo Secured Finance BV 144A		
L Brands, Inc.			5.500%, 1/15/27 ⁽¹⁾	1,105	1,104
6.875%, 11/1/35	545	550			<u>76,057</u>
6.750%, 7/1/36	530	530	Consumer Staples—4.4%		
Lamar Media Corp.			Albertsons Cos. LLC		
5.750%, 2/1/26	980	1,046	6.625%, 6/15/24		
Lee Enterprises, Inc. 144A			925		
9.500%, 3/15/22 ⁽¹⁾	437	452	JBS USA LUX SA		
Lions Gate Entertainment Corp. 144A			144A 8.250%, 2/1/20 ⁽¹⁾		
5.875%, 11/1/24 ⁽¹⁾	1,490	1,574	144A 5.750%, 6/15/25 ⁽¹⁾		
Lithia Motors, Inc. 144A			2,115		
5.250%, 8/1/25 ⁽¹⁾	896	934	1,745		
Matthews International Corp. 144A			New Albertson's, Inc.		
5.250%, 12/1/25 ⁽¹⁾	860	869	7.450%, 8/1/29		
MGM Resorts International			1,536		
7.750%, 3/15/22	3,215	3,665	Pilgrim's Pride Corp.		
6.000%, 3/15/23	1,615	1,744	144A 5.750%, 3/15/25 ⁽¹⁾		
Murphy Oil USA, Inc.			144A 5.875%, 9/30/27 ⁽¹⁾		
5.625%, 5/1/27	370	389	2,785		
New Home Co., Inc. (The)			440		
7.250%, 4/1/22	1,060	1,110	Post Holdings, Inc.		
New Red Finance, Inc. 144A			144A 5.500%, 3/1/25 ⁽¹⁾		
5.000%, 10/15/25 ⁽¹⁾	6,170	6,216	380		
Penske Automotive Group, Inc.			144A 8.000%, 7/15/25 ⁽¹⁾		
5.375%, 12/1/24	1,290	1,309	2,045		
PetSmart, Inc. 144A			144A 5.000%, 8/15/26 ⁽¹⁾		
5.875%, 6/1/25 ⁽¹⁾	1,105	848	1,565		
PulteGroup, Inc.			144A 5.750%, 3/1/27 ⁽¹⁾		
4.250%, 3/1/21	1,527	1,573	474		
5.500%, 3/1/26	1,920	2,088	Rite Aid Corp.		
7.875%, 6/15/32	400	502	6.750%, 6/15/21		
			1,155		
			144A 6.125%, 4/1/23 ⁽¹⁾		
			2,490		
			US Foods, Inc. 144A		
			5.875%, 6/15/24 ⁽¹⁾		
			2,550		
			2,678		
			20,136		
			Energy—15.0%		
			Antero Resources Corp.		
			5.375%, 11/1/21		
			600		
			5.625%, 6/1/23		
			190		
			198		

See Notes to Financial Statements.

VIRTUS SEIX HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Energy—continued			Energy—continued		
5.000%, 3/1/25	\$1,105	\$ 1,127	RSP Permian, Inc.		
Centennial Resource Production LLC 144A			6.625%, 10/1/22	\$1,055	\$ 1,106
5.375%, 1/15/26 ⁽¹⁾	1,330	1,355	SESI LLC		
Cheniere Corpus Christi Holdings LLC			7.125%, 12/15/21	1,110	1,138
7.000%, 6/30/24	1,075	1,224	144A 7.750%, 9/15/24 ⁽¹⁾	1,940	2,061
5.125%, 6/30/27	1,315	1,360	Seven Generations Energy Ltd. 144A		
Chesapeake Energy Corp. 144A			6.750%, 5/1/23 ⁽¹⁾	1,158	1,230
8.000%, 12/15/22 ⁽¹⁾	3,705	3,997	Southwestern Energy Co.		
CNX Resources Corp.			7.500%, 4/1/26	1,160	1,233
8.000%, 4/1/23	3,015	3,232	Tallgrass Energy Partners LP		
Crestwood Midstream Partners LP			144A 5.500%, 9/15/24 ⁽¹⁾	579	594
5.750%, 4/1/25	1,300	1,342	144A 5.500%, 1/15/28 ⁽¹⁾	900	911
Denbury Resources, Inc. 144A			Transocean, Inc.		
9.000%, 5/15/21 ⁽¹⁾	895	914	7.500%, 4/15/31	870	774
Diamond Offshore Drilling, Inc.			6.800%, 3/15/38	995	802
7.875%, 8/15/25	945	992	Whiting Petroleum Corp. 144A		
Diamondback Energy, Inc.			6.625%, 1/15/26 ⁽¹⁾	915	933
4.750%, 11/1/24	1,045	1,049			<u>67,799</u>
5.375%, 5/31/25	2,018	2,076			
Endeavor Energy Resources LP			Financials—12.8%		
144A 5.500%, 1/30/26 ⁽¹⁾	675	687	Ally Financial, Inc.		
144A 5.750%, 1/30/28 ⁽¹⁾	660	678	8.000%, 3/15/20	2,268	2,500
EnSCO plc			5.750%, 11/20/25	1,095	1,194
8.000%, 1/31/24	2,760	2,767	8.000%, 11/1/31	470	611
5.750%, 10/1/44	2,017	1,382	CRC Escrow Issuer LLC 144A		
FTS International, Inc. (3 month LIBOR + 7.500%) 144A			5.250%, 10/15/25 ⁽¹⁾	1,820	1,839
9.088%, 6/15/20 ⁽¹⁾⁽²⁾	1,176	1,200	CSC Holdings LLC		
MEG Energy Corp.			144A 10.125%, 1/15/23 ⁽¹⁾	1,150	1,295
144A 7.000%, 3/31/24 ⁽¹⁾	2,890	2,438	144A 10.875%, 10/15/25 ⁽¹⁾	2,732	3,244
144A 6.500%, 1/15/25 ⁽¹⁾	1,801	1,779	Deck Chassis Acquisition, Inc. 144A		
Murphy Oil Corp.			10.000%, 6/15/23 ⁽¹⁾	1,400	1,558
6.875%, 8/15/24	1,285	1,372	Delphi Technologies plc 144A		
5.750%, 8/15/25	1,885	1,927	5.000%, 10/1/25 ⁽¹⁾	455	461
Nabors Industries, Inc.			Diamond Resorts International, Inc. 144A		
5.500%, 1/15/23	1,540	1,490	7.750%, 9/1/23 ⁽¹⁾	965	1,047
NGPL PipeCo LLC 144A			Hilcorp Energy I LP 144A		
4.375%, 8/15/22 ⁽¹⁾	196	199	5.750%, 10/1/25 ⁽¹⁾	3,450	3,528
Oasis Petroleum Inc.			Icahn Enterprises LP		
7.250%, 2/1/19	1,925	1,925	6.000%, 8/1/20	2,525	2,597
Oceaneering International, Inc.			Jefferies Finance LLC		
4.650%, 11/15/24	520	506	144A 7.375%, 4/1/20 ⁽¹⁾	2,015	2,073
Parsley Energy LLC 144A			144A 7.250%, 8/15/24 ⁽¹⁾	760	780
5.625%, 10/15/27 ⁽¹⁾	930	951	Ladder Capital Finance Holdings LLLP 144A		
Petrobras Global Finance BV			5.250%, 10/1/25 ⁽¹⁾	1,195	1,189
8.375%, 5/23/21	2,000	2,281	MGIC Investment Corp.		
7.375%, 1/17/27	810	892	5.750%, 8/15/23	1,730	1,892
Precision Drilling Corp.			Nationstar Mortgage LLC		
7.750%, 12/15/23	805	845	6.500%, 8/1/18	4,980	4,988
144A 7.125%, 1/15/26 ⁽¹⁾	348	355	9.625%, 5/1/19	955	982
Pride International LLC			7.875%, 10/1/20	2,055	2,099
7.875%, 8/15/40	1,370	1,159	6.500%, 7/1/21	4,350	4,410
Range Resources Corp.			6.500%, 6/1/22	773	781
5.750%, 6/1/21	2,535	2,630	Navient Corp.		
5.875%, 7/1/22	630	643	8.450%, 6/15/18	1,900	1,948
Rockies Express Pipeline LLC			5.500%, 1/15/19	735	748
144A 6.850%, 7/15/18 ⁽¹⁾	1,105	1,124	8.000%, 3/25/20	2,810	3,038
144A 6.000%, 1/15/19 ⁽¹⁾	2,650	2,723	Ocwen Loan Servicing LLC 144A		
144A 5.625%, 4/15/20 ⁽¹⁾	730	765	8.375%, 11/15/22 ⁽¹⁾	1,490	1,527
Rowan Cos, Inc.			OneMain Financial Holdings LLC 144A		
4.875%, 6/1/22	2,420	2,281	7.250%, 12/15/21 ⁽¹⁾	1,540	1,600
4.750%, 1/15/24	1,705	1,500	Provident Funding Associates LP 144A		
5.850%, 1/15/44	1,330	1,037	6.375%, 6/15/25 ⁽¹⁾	408	428

See Notes to Financial Statements.

VIRTUS SEIX HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Financials—continued			Industrials—continued		
Quicken Loans, Inc.			Bombardier, Inc.		
144A 5.750%, 5/1/25 ⁽¹⁾	\$3,505	\$ 3,628	144A 7.750%, 3/15/20 ⁽¹⁾	\$ 490	\$ 527
144A 5.250%, 1/15/28 ⁽¹⁾	865	854	144A 8.750%, 12/1/21 ⁽¹⁾	1,350	1,485
Radian Group Inc.			144A 7.500%, 3/15/25 ⁽¹⁾	2,130	2,146
7.000%, 3/15/21	982	1,101	Donnelley Financial Solutions, Inc.		
Silversea Cruise Finance Ltd. 144A			8.250%, 10/15/24	1,105	1,182
7.250%, 2/1/25 ⁽¹⁾	1,227	1,322	Gartner, Inc. 144A		
Springleaf Finance Corp.			5.125%, 4/1/25 ⁽¹⁾	1,300	1,358
8.250%, 12/15/20	600	660	GFL Environmental, Inc. 144A		
VFH Parent LLC 144A			9.875%, 2/1/21 ⁽¹⁾	1,759	1,854
6.750%, 6/15/22 ⁽¹⁾	1,100	1,158	Global Ship Lease, Inc. 144A		
Viking Cruises Ltd. 144A			9.875%, 11/15/22 ⁽¹⁾	785	811
5.875%, 9/15/27 ⁽¹⁾	860	875	Grinding Media, Inc. 144A		
		<u>57,955</u>	7.375%, 12/15/23 ⁽¹⁾	1,082	1,162
			Harland Clarke Holdings Corp.		
Health Care—5.3%			144A 6.875%, 3/1/20 ⁽¹⁾	4,085	4,167
Centene Corp.			144A 8.375%, 8/15/22 ⁽¹⁾	3,560	3,697
5.625%, 2/15/21	2,500	2,569	Herc Rentals, Inc. 144A		
6.125%, 2/15/24	590	624	7.500%, 6/1/22 ⁽¹⁾	1,004	1,082
DaVita, Inc.			ILFC E-Capital Trust I 144A		
5.750%, 8/15/22	2,310	2,376	4.370%, 12/21/65 ⁽¹⁾⁽²⁾	2,390	2,330
5.000%, 5/1/25	2,175	2,174	Jack Ohio Finance LLC 144A		
Envision Healthcare Corp.			6.750%, 11/15/21 ⁽¹⁾	1,070	1,126
5.625%, 7/15/22	1,140	1,151	KAR Auction Services, Inc. 144A		
HCA Healthcare, Inc.			5.125%, 6/1/25 ⁽¹⁾	1,540	1,578
6.250%, 2/15/21	1,128	1,196	Plastipak Holdings, Inc. 144A		
HCA, Inc.			6.250%, 10/15/25 ⁽¹⁾	1,125	1,156
5.250%, 6/15/26	875	927	Prime Security Services Borrower LLC 144A		
7.500%, 11/6/33	400	448	9.250%, 5/15/23 ⁽¹⁾	1,073	1,191
7.500%, 11/15/95	455	465	Ritchie Bros Auctioneers, Inc. 144A		
Hologic, Inc.			5.375%, 1/15/25 ⁽¹⁾	860	888
144A 5.250%, 7/15/22 ⁽¹⁾	1,050	1,087	Sensata Technologies BV 144A		
144A 4.375%, 10/15/25 ⁽¹⁾	1,405	1,426	5.000%, 10/1/25 ⁽¹⁾	470	497
Kindred Healthcare, Inc.			Sensata Technologies UK Financing Co. plc 144A		
8.000%, 1/15/20	1,880	2,037	6.250%, 2/15/26 ⁽¹⁾	475	517
MEDNAX, Inc. 144A			United Airlines, Inc. Pass-Through-Trust 2014-1, B		
5.250%, 12/1/23 ⁽¹⁾	1,045	1,063	4.750%, 4/11/22	2,634	2,724
Quintiles IMS, Inc. 144A			Univar USA, Inc. 144A		
4.875%, 5/15/23 ⁽¹⁾	1,660	1,710	6.750%, 7/15/23 ⁽¹⁾	1,250	1,306
Teleflex, Inc.			US Airways, Inc. Pass-Through-Trust 2012-2, B		
5.250%, 6/15/24	1,569	1,636	6.750%, 6/3/21	2,379	2,584
Valeant Pharmaceuticals International, Inc. 144A			Wabash National Corp. 144A		
7.000%, 3/15/24 ⁽¹⁾	900	963	5.500%, 10/1/25 ⁽¹⁾	1,390	1,400
WellCare Health Plans, Inc.			WESCO Distribution, Inc.		
5.250%, 4/1/25	2,065	2,179	5.375%, 6/15/24	1,295	1,331
		<u>24,031</u>	West Corp. 144A		
			4.750%, 7/15/21 ⁽¹⁾	2,845	2,881
				<u>49,521</u>	
Industrials—10.9%			Information Technology—5.5%		
AECOM			Alliance Data Systems Corp.		
5.125%, 3/15/27	1,835	1,869	144A 5.875%, 11/1/21 ⁽¹⁾	3,120	3,198
Air Canada Pass-Through-Trust			144A 5.375%, 8/1/22 ⁽¹⁾	3,145	3,169
2013-1, C			CDW LLC		
144A 6.625%, 5/15/18 ⁽¹⁾	790	803	5.000%, 9/1/25	955	988
2015-1, C			CommScope Technologies LLC 144A		
144A 5.000%, 3/15/20 ⁽¹⁾	490	501	6.000%, 6/15/25 ⁽¹⁾	1,665	1,769
Allison Transmission, Inc. 144A			Conduent Finance, Inc. 144A		
5.000%, 10/1/24 ⁽¹⁾	2,295	2,367	10.500%, 12/15/24 ⁽¹⁾	1,106	1,298
American Airlines Group Inc. Pass-Through-Trust			Dell International LLC 144A		
Series 2013-2, Class B 144A			7.125%, 6/15/24 ⁽¹⁾	1,455	1,593
5.600%, 7/15/20 ⁽¹⁾	2,904	3,001			

See Notes to Financial Statements.

VIRTUS SEIX HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
Information Technology—continued			Real Estate—continued		
Dell, Inc.			Sabra Health Care LP		
6.500%, 4/15/38	\$ 890	\$ 906	5.125%, 8/15/26	\$1,445	\$ 1,465
First Data Corp.			SBA Communications Corp.		
144A 5.375%, 8/15/23 ⁽¹⁾	2,640	2,748	4.875%, 9/1/24	905	930
144A 7.000%, 12/1/23 ⁽¹⁾	1,460	1,544	144A 4.000%, 10/1/22 ⁽¹⁾	1,745	1,747
Match Group, Inc.			Starwood Property Trust, Inc.		
6.375%, 6/1/24	960	1,040	5.000%, 12/15/21	3,510	3,642
Nuance Communications, Inc.					<u>20,853</u>
5.625%, 12/15/26	1,175	1,224	Telecommunication Services—8.5%		
Quintiles IMS, Inc. 144A			Altice Financing SA 144A		
5.000%, 10/15/26 ⁽¹⁾	2,015	2,065	6.625%, 2/15/23 ⁽¹⁾	1,090	1,141
Western Digital Corp.			Altice Luxembourg SA		
10.500%, 4/1/24	2,780	3,221	144A 7.750%, 5/15/22 ⁽¹⁾	2,055	2,014
		<u>24,763</u>	144A 7.625%, 2/15/25 ⁽¹⁾	465	445
Materials—5.2%			CB Escrow Corp. 144A		
Axalta Coating Systems LLC 144A			8.000%, 10/15/25 ⁽¹⁾	2,330	2,365
4.875%, 8/15/24 ⁽¹⁾	2,275	2,389	CenturyLink, Inc.		
Big River Steel LLC 144A			5.625%, 4/1/20	470	473
7.250%, 9/1/25 ⁽¹⁾	885	936	6.750%, 12/1/23	1,850	1,813
Blue Cube Spinco, Inc.			7.500%, 4/1/24	475	474
9.750%, 10/15/23	1,910	2,254	Cequel Communications Holdings I LLC 144A		
Chemours Co. (The)			7.750%, 7/15/25 ⁽¹⁾	450	481
7.000%, 5/15/25	2,270	2,463	Cincinnati Bell, Inc. 144A		
Enviva Partners LP			7.000%, 7/15/24 ⁽¹⁾	3,395	3,370
8.500%, 11/1/21	520	554	Cogent Communications Group, Inc. 144A		
GCP Applied Technologies, Inc. 144A			5.375%, 3/1/22 ⁽¹⁾	1,055	1,108
9.500%, 2/1/23 ⁽¹⁾	1,005	1,115	CSC Holdings LLC 144A		
Imperial Metals Corp. 144A			6.625%, 10/15/25 ⁽¹⁾	1,125	1,218
7.000%, 3/15/19 ⁽¹⁾	1,539	1,447	Intelsat Jackson Holdings SA		
Kaiser Aluminum Corp.			144A 9.500%, 9/30/22 ⁽¹⁾	1,265	1,458
5.875%, 5/15/24	1,665	1,769	144A 8.000%, 2/15/24 ⁽¹⁾	1,290	1,358
Novelis Corp. 144A			Level 3 Financing, Inc.		
6.250%, 8/15/24 ⁽¹⁾	1,470	1,540	6.125%, 1/15/21	5,500	5,589
Reynolds Group Issuer, Inc. 144A			5.375%, 8/15/22	1,330	1,347
5.125%, 7/15/23 ⁽¹⁾	2,053	2,125	5.125%, 5/1/23	620	622
Steel Dynamics, Inc.			5.375%, 5/1/25	1,695	1,693
5.125%, 10/1/21	1,010	1,035	Level 3 Parent LLC		
Summit Materials LLC			5.750%, 12/1/22	425	427
8.500%, 4/15/22	1,865	2,065	Sprint Capital Corp.		
TMS International Corp. 144A			6.875%, 11/15/28	2,075	2,088
7.250%, 8/15/25 ⁽¹⁾	855	893	Sprint Communications, Inc.		
Trinseo Materials Operating SCA 144A			11.500%, 11/15/21	2,035	2,457
5.375%, 9/1/25 ⁽¹⁾	930	963	Sprint Corp.		
USG Corp. 144A			7.875%, 9/15/23	1,860	1,981
5.500%, 3/1/25 ⁽¹⁾	640	680	Trilogy International Partners LLC 144A		
Valvoline, Inc.			8.875%, 5/1/22 ⁽¹⁾	1,315	1,348
5.500%, 7/15/24	1,107	1,176	UPC Holding BV 144A		
		<u>23,404</u>	5.500%, 1/15/28 ⁽¹⁾	1,875	1,823
Real Estate—4.6%			Videotron Ltd. 144A		
Equinix, Inc.			5.375%, 6/15/24 ⁽¹⁾	463	499
5.875%, 1/15/26	1,500	1,611	Zayo Group LLC		
Howard Hughes Corp. (The) 144A			6.375%, 5/15/25	495	523
5.375%, 3/15/25 ⁽¹⁾	3,755	3,849	144A 5.750%, 1/15/27 ⁽¹⁾	500	510
iStar, Inc.					<u>38,625</u>
4.625%, 9/15/20	2,622	2,661	Utilities—2.1%		
6.500%, 7/1/21	2,290	2,379	Calpine Corp.		
6.000%, 4/1/22	1,070	1,107	5.750%, 1/15/25	900	856
MPT Operating Partnership LP			144A 5.250%, 6/1/26 ⁽¹⁾	725	711
5.000%, 10/15/27	1,435	1,462			

See Notes to Financial Statements.

VIRTUS SEIX HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Utilities—continued					
NRG Energy, Inc.					
6.250%, 7/15/22	\$ 605	\$ 629			
7.250%, 5/15/26	1,885	2,053			
144A 5.750%, 1/15/28 ⁽¹⁾	520	525			
NRG Yield Operating LLC					
5.375%, 8/15/24	685	709			
5.000%, 9/15/26	1,350	1,370			
Talen Energy Supply LLC					
144A 9.500%, 7/15/22 ⁽¹⁾	1,395	1,430			
144A 10.500%, 1/15/26 ⁽¹⁾	1,280	1,267			
		9,550			
TOTAL CORPORATE BONDS AND NOTES					
(Identified Cost \$400,994)					
		412,694			
LEVERAGED LOANS⁽²⁾—4.8%					
Cable/Wireless Video—0.2%					
Liberty Cablevision of Puerto Rico Tranche B, First Lien (3 month LIBOR + 3.500%) 4.859%, 1/7/22	1,025	992			
Chemicals—0.1%					
Kraton Polymers LLC (1 month LIBOR + 3.000%) 4.569%, 1/6/22	402	406			
Energy—0.3%					
California Resources Corp. (1 month LIBOR + 10.375%) 11.876%, 12/31/22	1,195	1,310			
Financial—1.7%					
AltiSource Solutions S.a.r.l Tranche B (1 month LIBOR + 3.500%) 5.069%, 12/9/20	2,317	2,268			
Freedom Mortgage Corp. (3 month LIBOR + 5.500%) 6.956%, 2/23/22	863	874			
Ocwen Loan Servicing LLC (1 month LIBOR + 5.000%) 6.460%, 12/7/20	1,169	1,171			
USI, Inc. Tranche B (3 month LIBOR + 3.000%) 4.693%, 5/16/24	1,267	1,264			
Walter Investment Management Corp. Tranche B (1 month LIBOR + 3.750%) 5.319%, 12/18/20 ⁽³⁾	2,431	2,318			
		7,895			
Food/Tobacco—0.4%					
JBS USA LUX SA (3 month LIBOR + 2.500%) 4.100%, 10/30/22	1,712	1,681			
Gaming/Leisure—0.2%					
Eldorado Resorts, Inc. (1 month LIBOR + 2.250%) 3.750%, 4/17/24	868	868			
Healthcare—0.3%					
Centene Corp. (3 month LIBOR + 3.500%) 3.500%, 9/13/18 ⁽⁴⁾⁽⁵⁾	1,280	1,280			
Metals/Minerals—0.5%					
Foresight Energy LLC (3 month LIBOR + 5.750%) 7.443%, 3/28/22	2,183	2,044			
Retail—0.4%					
Sears Roebuck Acceptance Corp. 2016 (1 month LIBOR + 7.500%) 8.892%, 7/20/20			\$ 171	\$ 172	
2017 (3 month LIBOR + 4.500%) 6.069%, 1/20/19			1,799	1,807	
				1,979	
Service—0.4%					
Conduent Business Services LLC Tranche B (1 month LIBOR + 3.000%) 4.569%, 12/7/23			1,588	1,598	
Laureate Education, Inc. 2024 (1 month LIBOR + 4.500%) 6.069%, 4/26/24			422	425	
				2,023	
Telecommunications—0.3%					
CenturyLink, Inc. Tranche B (1 month LIBOR + 2.750%) 4.319%, 1/31/25			1,315	1,267	
TOTAL LEVERAGED LOANS					
(Identified Cost \$21,654)					
					21,745
Shares					
COMMON STOCK—0.1%					
Energy—0.1%					
Templar Energy LLC ⁽⁴⁾⁽⁶⁾			134,055	281	
TOTAL COMMON STOCK					
(Identified Cost \$4,781)					
					281
TOTAL LONG-TERM INVESTMENTS—96.0%					
(Identified Cost \$427,429)					
					434,720
SHORT-TERM INVESTMENT—2.8%					
MONEY MARKET MUTUAL FUND—2.8%					
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽⁷⁾⁽⁸⁾			12,779,752	12,780	
TOTAL SHORT-TERM INVESTMENT					
(Identified Cost \$12,780)					
					12,780
TOTAL INVESTMENTS—98.8%					
(Identified Cost \$440,209)					
Other assets and liabilities, net—1.2%					5,662
NET ASSETS—100.0%					
\$453,162					
Abbreviation:					
LIBOR London Interbank Offered Rate					

See Notes to Financial Statements.

VIRTUS SEIX HIGH YIELD FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

Footnote Legend:

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$209,524 or 46.2% of net assets.
- (2) Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (3) Security in default, interest payments are being received during the bankruptcy proceedings.
- (4) The value of this security was determined using significant unobservable inputs and is reported as a Level 3 security in the Fair Value Hierarchy table located after the Schedule of Investments.
- (5) Represents unfunded portion of security and commitment fee earned on this portion.
- (6) Non-income producing security.
- (7) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.
- (8) All or a portion of the security is segregated as collateral for a delayed delivery transaction.

Country Weightings (Unaudited)[†]

United States	87%
Canada	6
Luxembourg	3
Netherlands	2
United Kingdom	1
France	1
Total Investments	100%
[†] % of total investments as of December 31, 2017	

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Corporate Bonds And Notes	\$412,694	\$ —	\$412,694	\$ —
Leveraged Loans	21,745	—	20,465	1,280
Equity Securities:				
Common Stock	281	—	—	281
Short-Term Investment	12,780	12,780	—	—
Total Investments	\$447,500	\$12,780	\$433,159	\$1,561

Securities held by the Fund with an end of period value of \$281 were transferred from Level 2 to Level 3 due to a decrease in trading activities at period end.

Some of the Fund's investments that were categorized as Level 3 were valued utilizing third party pricing information without adjustment. Such valuations are based on unobservable inputs. A significant change in third party information could result in a significantly lower or higher value of Level 3 investments.

Management has determined that the amount of Level 3 securities compared to total net assets is de minimus; therefore, the rollforward of Level 3 securities and assumptions are not shown for the period ended December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX INVESTMENT GRADE TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
MUNICIPAL BONDS⁽¹⁾—97.1%					
Alabama—3.8%					
Birmingham Alabama Special Care Facilities Financing Authority, Childrens Hospital Revenue, (AGC Insured) (Pre-refunded 6/1/19 @ 100), 6.000%, 6/1/39	\$ 9,000	\$ 9,554			
County of Jefferson, Sales Tax Revenue, 5.000%, 9/15/31	3,585	4,234			
5.000%, 9/15/32	2,000	2,344			
5.000%, 9/15/33	1,500	1,750			
		<u>17,882</u>			
Alaska—9.2%					
Matanuska-Susitna of Borough Revenue, (AGC Insured) (Pre-refunded 9/1/19 @ 100), 5.500%, 9/1/23	18,000	19,146			
(AGC Insured) (Pre-refunded 9/1/19 @ 100), 6.000%, 9/1/28	9,850	10,557			
(AGC Insured) (Pre-refunded 9/1/19 @ 100), 6.000%, 9/1/28	5,650	6,056			
(AGC Insured) (Pre-refunded 9/1/19 @ 100), 6.000%, 9/1/32	7,250	7,771			
		<u>43,530</u>			
California—21.0%					
California Infrastructure & Economic Development Bank Revenue, 5.000%, 11/1/35	2,000	2,296			
California Infrastructure & Economic Development Bank Revenue, Mandatory Put 4/1/2020 1.556%, 4/1/38 ⁽²⁾	3,825	3,822			
California State of, General Obligation, 5.000%, 9/1/19	3,500	3,697			
General Obligation, 5.000%, 8/1/24	7,500	8,946			
General Obligation, 6.500%, 4/1/33	24,500	26,026			
City of Los Angeles Department of Airports Revenue, 5.000%, 5/15/26	2,500	3,005			
5.000%, 5/15/30	740	879			
5.000%, 5/15/32	1,250	1,477			
5.000%, 5/15/33	1,255	1,481			
5.000%, 5/15/34	1,000	1,178			
City of Los Angeles Wastewater System Revenue, (Pre-refunded 6/1/19 @ 100), 5.750%, 6/1/34	2,775	2,937			
(Pre-refunded 6/1/19 @ 100), 5.750%, 6/1/34	2,225	2,355			
County of Santa Clara, General Obligation, 4.000%, 8/1/34	5,300	5,897			
East Bay Municipal Utility District Water System Revenue, 5.000%, 6/1/33	3,940	4,851			
Los Angeles Community College District, 2008 Election General Obligation, 4.000%, 8/1/33	1,000	1,116			
2008 Election General Obligation, 4.000%, 8/1/34	1,000	1,113			
2008 Election General Obligation, 4.000%, 8/1/35	3,000	3,317			
California—continued					
General Obligation, 4.000%, 8/1/39			\$ 3,000	\$ 3,277	
Los Angeles Department of Water Revenue, 5.000%, 7/1/34			2,645	3,157	
5.000%, 7/1/36			2,000	2,379	
San Francisco City & County Airport Comm-San Francisco International Airport Revenue, (AGM Insured) (Pre-refunded 5/1/18 @ 100), 5.750%, 5/1/24			1,870	1,895	
(AGM Insured) (Pre-refunded 5/1/18 @ 100), 5.750%, 5/1/24			840	851	
University of California Revenue, (Pre-refunded 5/15/19 @ 100), 5.750%, 5/15/27			3,000	3,173	
(Pre-refunded 5/15/19 @ 100), 5.750%, 5/15/28			10,000	10,577	
				<u>99,702</u>	
Colorado—2.9%					
Regional Transportation District, Sales Tax Revenue, 5.000%, 11/1/34			1,500	1,823	
University of Colorado Revenue, 5.000%, 6/1/31			1,000	1,222	
4.000%, 6/1/34			5,000	5,529	
4.000%, 6/1/35			2,500	2,762	
4.000%, 6/1/36			2,000	2,208	
				<u>13,544</u>	
Connecticut—0.3%					
Connecticut State Health & Educational Facilities Authority Revenue, 5.000%, 7/1/36			1,230	1,443	
District of Columbia—1.8%					
Columbia District Revenue, 5.500%, 12/1/30			8,000	8,580	
Florida—3.2%					
County of Miami-Dade Water & Sewer System Revenue, 5.000%, 10/1/31			4,000	4,740	
5.000%, 10/1/32			6,100	7,205	
5.000%, 10/1/33			2,650	3,122	
				<u>15,067</u>	
Hawaii—1.6%					
State of Hawaii, General Obligation, (Pre-refunded 11/1/22 @ 100), 5.000%, 11/1/29			60	69	
General Obligation, (Pre-refunded 11/1/22 @ 100), 5.000%, 11/1/29			160	183	
General Obligation, (Pre-refunded 11/1/22 @ 100), 5.000%, 11/1/29			6,530	7,495	
				<u>7,747</u>	
Idaho—0.3%					
Ada & Boise Counties Independent School District Boise City, General Obligation, 5.000%, 8/1/33			1,000	1,218	

See Notes to Financial Statements.

VIRTUS SEIX INVESTMENT GRADE TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Illinois—7.5%					
Chicago O'Hare International Airport Revenue, 4.000%, 1/1/27	\$ 2,730	\$ 2,866			
5.000%, 1/1/33	2,000	2,265			
5.000%, 1/1/33	6,580	7,557			
5.000%, 1/1/33	1,550	1,804			
5.000%, 1/1/34	2,000	2,358			
5.000%, 1/1/34	1,000	1,160			
5.000%, 1/1/38	5,000	5,861			
5.000%, 1/1/38	2,000	2,305			
Illinois State Toll Highway Authority, Toll Highway Revenue, 5.000%, 1/1/35	1,600	1,896			
Toll Highway Revenue, 5.000%, 1/1/36	1,800	2,129			
Sales Tax Securitization Corp. Sales Tax Revenue, 5.000%, 1/1/25	1,700	2,013			
Sales Tax Revenue, 5.000%, 1/1/30	1,000	1,223			
University of Illinois Revenue, (Pre-refunded 4/1/19 @ 100), 5.750%, 4/1/38	2,000	2,105			
		35,542			
Kentucky—0.2%					
Kentucky Economic Development Finance Authority Revenue, (AGM Insured) 5.000%, 12/1/47	1,000	1,073			
Louisiana—1.1%					
Jefferson Sales Tax District, Sales Tax Revenue, (AGM Insured) 5.000%, 12/1/31	1,500	1,797			
Sales Tax Revenue, (AGM Insured) 5.000%, 12/1/33	2,000	2,380			
New Orleans Aviation Board Revenue, 5.000%, 1/1/35	760	886			
		5,063			
Maryland—3.1%					
County of Montgomery General Obligation, 5.000%, 11/1/27	5,000	5,992			
Maryland Health & Higher Educational Facilities Authority, Lifebridge Health Revenue, 5.000%, 7/1/44	1,850	2,145			
State of Maryland, General Obligation, (Pre-refunded 8/1/22 @ 100), 5.000%, 8/1/25	5,920	6,726			
		14,863			
Massachusetts—3.3%					
Commonwealth of Massachusetts Transportation Fund Revenue, 4.000%, 6/1/34	3,125	3,459			
4.000%, 6/1/35	2,140	2,363			
Massachusetts School Building Authority Revenue, 5.000%, 8/15/36	5,000	5,919			
Massachusetts—continued					
Massachusetts State College Building Authority Revenue, (ST INTERCEPT Insured) 5.000%, 5/1/34	\$ 3,545	\$ 4,139			15,880
Michigan—2.2%					
Michigan Finance Authority Revenue, 5.000%, 7/1/21	7,000	7,156			
4.000%, 12/1/36	1,000	1,057			
5.000%, 12/1/37	1,000	1,178			
4.000%, 12/1/40	1,000	1,046			10,437
Missouri—0.6%					
Metropolitan St. Louis Sewer District Revenue, 5.000%, 5/1/35	1,500	1,772			
5.000%, 5/1/42	1,000	1,203			2,975
New Jersey—6.4%					
New Jersey Turnpike Authority, Toll Highway Revenue, 5.000%, 1/1/30	1,250	1,527			
Toll Highway Revenue, 5.000%, 1/1/31	7,120	8,630			
Toll Highway Revenue, 5.000%, 1/1/31	5,000	6,060			
Toll Highway Revenue, 5.000%, 1/1/32	3,000	3,621			
Toll Highway Revenue, 5.000%, 1/1/33	3,500	4,211			
Toll Highway Revenue, 5.000%, 1/1/33	1,000	1,203			
Toll Highway Revenue, 5.000%, 1/1/34	1,500	1,732			
Toll Highway Revenue, 5.000%, 1/1/37	3,000	3,575			30,559
New York—11.7%					
New York City Transitional Finance Authority Building Aid Revenue, (State AID Withholding Insured) 6.000%, 7/15/38	7,500	7,681			
New York City Transitional Finance Authority Future Tax Secured Revenue, 5.000%, 11/1/29	12,905	15,802			
New York City Water & Sewer System Revenue, 5.000%, 6/15/31	1,250	1,522			
5.750%, 6/15/40	11,800	12,027			
New York State Dormitory Authority, Sales Tax Revenue, 5.000%, 3/15/28	2,500	2,961			
Sales Tax Revenue, 5.000%, 3/15/32	5,500	6,419			
Sales Tax Revenue, 5.000%, 3/15/33	2,800	3,372			

See Notes to Financial Statements.

VIRTUS SEIX INVESTMENT GRADE TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
New York—continued					
Sales Tax Revenue, 5.000%, 3/15/35	\$ 5,000	\$ 5,932			
		55,716			
North Carolina—0.8%					
University of North Carolina at Charlotte, Revenue, 4.000%, 10/1/33	500	552			
Revenue, 4.000%, 10/1/36	1,250	1,369			
Revenue, 4.000%, 10/1/40	1,500	1,633			
		3,554			
Oregon—2.9%					
County of Multnomah General Obligation, 5.000%, 6/1/29	4,710	5,853			
Oregon State Facilities Authority, Reed College Project Revenue, 5.000%, 7/1/47	1,000	1,191			
Port of Portland Airport Revenue, 5.000%, 7/1/26	750	901			
5.000%, 7/1/30	1,000	1,188			
5.000%, 7/1/33	1,000	1,174			
5.000%, 7/1/34	1,000	1,170			
5.000%, 7/1/35	1,000	1,168			
Washington County School District No 1 West Union, General Obligation, (SCH BD GTY Insured) 5.000%, 6/15/31	1,000	1,221			
		13,866			
Pennsylvania—6.5%					
City of Philadelphia PA Airport Revenue, 5.000%, 7/1/22	1,765	1,984			
5.000%, 7/1/23	2,000	2,292			
5.000%, 7/1/27	1,000	1,207			
5.000%, 7/1/42	1,000	1,157			
5.000%, 7/1/47	1,000	1,153			
Pennsylvania Economic Development Financing Authority Revenue, 5.000%, 7/1/21	5,955	6,012			
Pennsylvania Turnpike Commission, Toll Highway Revenue, 5.000%, 12/1/32	1,000	1,182			
Toll Highway Revenue, 5.000%, 12/1/34	1,000	1,174			
Toll Highway Revenue, 6.375%, 12/1/38	4,000	5,106			
University of Pittsburgh-of the Commonwealth System of Higher Education (Pre-refunded 3/15/19 @ 100), 5.500%, 9/15/23	6,750	7,069			
(Pre-refunded 3/15/19 @ 100), 5.500%, 9/15/24	2,500	2,618			
		30,954			
Texas—1.7%					
Austin Convention Enterprises, Inc. Revenue, 5.000%, 1/1/25	1,100	1,296			
Texas—continued					
Revenue, 5.000%, 1/1/26	\$ 1,350	\$ 1,605			
City of Sugar Land, General Obligation, 4.000%, 2/15/37	750	816			
General Obligation, 4.000%, 2/15/38	750	815			
Harris County Cultural Education Facilities Finance Corp. Revenue, 5.000%, 11/15/30	450	543			
Revenue, 5.000%, 11/15/31	750	901			
Revenue, 4.000%, 11/15/32	1,000	1,080			
Revenue, 4.000%, 11/15/34	1,100	1,180			
		8,236			
Virginia—0.7%					
Hampton Roads Sanitation District Revenue, 5.000%, 10/1/34	2,000	2,422			
4.000%, 10/1/38	1,000	1,093			
		3,515			
Washington—2.9%					
Energy Northwest Revenue, 5.000%, 7/1/24 (Pre-refunded 7/1/18 @ 100), 5.000%, 7/1/24	3,035	3,087			
State of Washington, General Obligation, (Pre-refunded 8/1/21 @ 100), 5.000%, 8/1/24	965	982			
	8,880	9,844			
		13,913			
Wisconsin—1.4%					
Public Finance Authority Revenue, 5.000%, 9/30/37	500	575			
5.000%, 9/30/49	1,000	1,139			
State of Wisconsin, General Obligation, 5.000%, 11/1/30	2,000	2,455			
General Obligation, 5.000%, 11/1/33	1,000	1,214			
General Obligation, 4.000%, 11/1/34	1,000	1,094			
		6,477			
TOTAL MUNICIPAL BONDS (Identified Cost \$451,041)					461,336
TOTAL LONG-TERM INVESTMENTS—97.1% (Identified Cost \$451,041)					461,336

See Notes to Financial Statements.

VIRTUS SEIX INVESTMENT GRADE TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Shares	Value
SHORT-TERM INVESTMENT—2.8%		
MONEY MARKET MUTUAL FUND—2.8%		
Dreyfus AMT-Free Tax Exempt Cash Management (seven-day effective yield 1.270%) ⁽³⁾	13,296,690	\$ 13,297
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$13,297)		13,297
TOTAL INVESTMENTS—99.9% (Identified Cost \$464,338)		\$474,633
Other assets and liabilities, net—0.1%		401
NET ASSETS—100.0%		\$475,034

Abbreviations:

AGC Assured Guaranty Corp.
AGM Assured Guaranty Municipal Corp.
SCH BD GTY School Bond Guaranty

Footnote Legend:

- ⁽¹⁾ At December 31, 2017, 15.6% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies. None of the Insurers concentration exceeds 10% of the Fund's net assets.
⁽²⁾ Variable or step coupon security; interest rate shown reflects the rate in effect at December 31, 2017.
⁽³⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Municipal Bonds	\$461,336	\$ —	\$461,336	\$—
Short-Term Investment	13,297	13,297	—	—
Total Investments	\$474,633	\$13,297	\$461,336	\$—

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX LIMITED DURATION FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
MORTGAGE-BACKED SECURITIES—88.3%					
Agency—88.3%					
Federal Home Loan Mortgage Corporation 3066, FG (1 month LIBOR + 0.200%) 1.677%, 3/15/24 ⁽¹⁾	\$558	\$ 559			
Federal Home Loan Mortgage Corporation Multifamily Structured Pass-Through Certificates KS02, A (1 month LIBOR + 0.380%) 1.752%, 8/25/23 ⁽¹⁾	395	396			
Federal National Mortgage Association 2012-M11, FA (1 month LIBOR + 0.500%) 1.738%, 8/25/19 ⁽¹⁾	76	76			
2016-M9, FA (1 month LIBOR + 0.590%) 1.828%, 9/25/23 ⁽¹⁾	386	387			
Pool #AM7028 (1 month LIBOR + 0.240%) 1.611%, 10/1/19 ⁽¹⁾	595	595			
Pool #AN3539 (1 month LIBOR + 0.470%) 1.713%, 11/1/21 ⁽¹⁾	225	225			
Federal National Mortgage Association REMIC 2004-79, FM (1 month LIBOR + 0.300%) 1.852%, 11/25/24 ⁽¹⁾	420	422			
FMPRE Multifamily Aggregation Risk Transfer Trust 2017-KT01, A (1 month LIBOR + 0.320%) 1.855%, 2/25/20 ⁽¹⁾	640	642			
NCUA Guaranteed Notes Trust 2010-R1, 1A (1 month LIBOR + 0.450%) 1.779%, 10/7/20 ⁽¹⁾	983	985			
2010-R3, 1A (1 month LIBOR + 0.560%) 1.963%, 12/8/20 ⁽¹⁾	496	498			
2010-R3, 2A (1 month LIBOR + 0.560%) 1.963%, 12/8/20 ⁽¹⁾	559	562			
2011-R1, 1A (1 month LIBOR + 0.450%) 1.779%, 1/8/20 ⁽¹⁾	229	230			
2011-R3, 1A (1 month LIBOR + 0.400%) 1.729%, 3/11/20 ⁽¹⁾	417	417			
		5,994			
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost \$5,982)		5,994			
ASSET-BACKED SECURITIES—9.1%					
Credit Card—4.1%					
Capital One Multi-Asset Execution Trust 2004-B3, B3 (1 month LIBOR + 0.730%) 2.207%, 1/18/22 ⁽¹⁾	275	277			
Student Loan—5.0%					
NCUA Guaranteed Notes Trust 2010-A1, A (1 month LIBOR + 0.350%) 1.757%, 12/7/20 ⁽¹⁾			\$341	\$ 341	
TOTAL ASSET-BACKED SECURITIES (Identified Cost \$618)					
TOTAL LONG-TERM INVESTMENTS—97.4% (Identified Cost \$6,600)					
			Shares		
SHORT-TERM INVESTMENT—2.9%					
MONEY MARKET MUTUAL FUND—2.9%					
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽²⁾			194,432	194	
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$194)					
TOTAL INVESTMENTS—100.3% (Identified Cost \$6,794)					
Other assets and liabilities, net—(0.3%)				(17)	
NET ASSETS—100.0%					
				\$6,789	

Abbreviations:
LIBOR London Interbank Offered Rate
REMIC Real Estate Mortgage Investment Conduit

Footnote Legend:

⁽¹⁾ Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.

⁽²⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	\$ 618	\$ —	\$ 618	\$—
Mortgage-Backed Securities	5,994	—	5,994	—
Short-Term Investment	194	194	—	—
Total Investments	\$6,806	\$194	\$6,612	\$—

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX NORTH CAROLINA TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
MUNICIPAL BONDS⁽¹⁾—94.9%			North Carolina—continued		
Guam—5.0%			Transportation Revenue—continued		
Electric Revenue—5.0%			North Carolina State Ports Authority, Senior Lien		
Guam Power Authority, Power Improvements (AGM			5.250%, 2/1/40	\$1,000	\$ 1,058
Insured)			North Carolina Turnpike Authority, Senior Lien		
5.000%, 10/1/44	\$1,000	\$ 1,103	5.000%, 1/1/32	750	875
					3,123
North Carolina—82.4%			Water & Sewer Revenue—6.3%		
Electric Revenue—1.3%			Buncombe County Metropolitan Sewerage District		
North Carolina Municipal Power Agency,			5.000%, 7/1/39	1,000	1,143
5.000%, 1/1/30	290	299	Town of Cary Combined Utility Systems		
			4.000%, 12/1/42	250	274
General Obligation—10.2%					1,417
County of Mecklenburg					18,403
5.000%, 9/1/24	1,000	1,201	South Carolina—3.6%		
County of Wake, School Improvements			Electric Revenue—3.6%		
4.000%, 2/1/27	1,000	1,086	South Carolina Public Service Authority		
		2,287	5.750%, 12/1/43	700	811
General Revenue—23.4%			Virginia—3.9%		
North Carolina Capital Facilities Finance Agency,			Healthcare Revenue—0.5%		
University of High Point			Virginia Commonwealth University Health System		
5.250%, 3/1/33	1,000	1,080	Authority		
University of Wake Forest			5.000%, 7/1/33	100	119
5.000%, 1/1/33	1,000	1,191	Transportation Revenue—3.4%		
County of Pitt, Advance Refunding			Virginia Small Business Financing Authority, Senior		
5.000%, 4/1/28	1,000	1,192	Lien,		
University of North Carolina at Charlotte, University &			5.000%, 7/1/34	695	752
College Improvements					871
5.000%, 4/1/45	1,000	1,159	TOTAL MUNICIPAL BONDS		
County of Wake, Advance Refunding			(Identified Cost \$20,502)		21,188
5.000%, 12/1/35	500	598	TOTAL LONG-TERM INVESTMENTS—94.9%		
		5,220	(Identified Cost \$20,502)		21,188
Healthcare Revenue—10.7%				Shares	
Charlotte-Mecklenburg Hospital Authority			SHORT-TERM INVESTMENT—3.0%		
4.000%, 1/15/45	1,000	1,054	Money Market Mutual Fund—3.0%		
North Carolina Medical Care Commission			Dreyfus AMT-Free Tax Exempt Cash Management		
5.000%, 10/1/35	1,125	1,341	(seven-day effective yield 1.270%) ⁽²⁾	680,843	681
		2,395	TOTAL SHORT-TERM INVESTMENT		
Lease Revenue—5.0%			(Identified Cost \$681)		681
County of Cabarrus, Public Improvements			TOTAL INVESTMENTS—97.9%		
4.000%, 6/1/33	1,000	1,106	(Identified Cost \$21,183)		\$21,869
Pre-Refunded—11.5%			Other assets and liabilities, net—2.1%		458
County of Forsyth (Pre-refunded 2/1/19 @ 100),			NET ASSETS—100.0%		\$22,327
5.000%, 2/1/22	750	778	Abbreviation:		
North Carolina Municipal Power Agency, (Pre-refunded			AGM Assured Guaranty Municipal Corp.		
1/1/19 @ 100),					
5.000%, 1/1/30	710	735			
North Carolina Medical Care Commission (Pre-refunded					
12/1/18 @ 100),					
6.250%, 12/1/33	1,000	1,043			
		2,556			
Transportation Revenue—14.0%					
City of Charlotte, Charlotte Douglas International Airport					
5.000%, 7/1/26	1,000	1,190			

See Notes to Financial Statements.

VIRTUS SEIX NORTH CAROLINA TAX-EXEMPT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

Footnote Legend:

- (1) At December 31, 2017, 5.0% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies.
(2) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Municipal Bonds	\$21,188	\$ —	\$21,188	\$—
Short-Term Investment	681	681	—	—
Total Investments	<u>\$21,869</u>	<u>\$681</u>	<u>\$21,188</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX SHORT-TERM BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
U.S. GOVERNMENT SECURITIES—26.3%					
U.S. Treasury Note					
1.375%, 2/29/20	\$ 160	\$ 158			
1.625%, 6/30/20	544	540			
1.375%, 10/31/20	2,329	2,291			
TOTAL U.S. GOVERNMENT SECURITIES					
(Identified Cost \$3,003)		2,989			
MORTGAGE-BACKED SECURITIES—24.5%					
Agency—18.4%					
Federal Home Loan Mortgage Corporation Multifamily					
Structured Pass-Through Certificates K712, A2					
1.869%, 11/25/19	236	235			
Federal Home Loan Mortgage Corporation REMIC					
3762, AV					
4.000%, 10/15/23	486	506			
3769, QJ					
3.500%, 11/15/39	335	342			
3786, EB					
4.000%, 8/15/35	128	130			
Federal National Mortgage Association					
Pool #AM2314					
1.680%, 1/1/20	244	241			
Pool #MA1104					
2.500%, 7/1/22	632	635			
		<u>2,089</u>			
Non-Agency—6.1%					
FREMF Mortgage Trust 2014-K503, B 144A					
3.002%, 10/25/47 ⁽¹⁾⁽²⁾	291	291			
Morgan Stanley Capital I Trust 2012-C4, A3					
2.991%, 3/15/45	140	142			
OBP Depositor LLC Trust 2010-OBP, A 144A					
4.646%, 7/15/45 ⁽¹⁾	140	146			
WFRBS Commercial Mortgage Trust 2013-C11, A3					
2.695%, 3/15/45	118	118			
		<u>697</u>			
TOTAL MORTGAGE-BACKED SECURITIES					
(Identified Cost \$2,804)		2,786			
ASSET-BACKED SECURITIES—2.7%					
Automobiles—1.8%					
Nissan Master Owner Trust Receivables 2016-A, A2					
1.540%, 6/15/21	210	208			
Credit Card—0.9%					
World Financial Network Credit Card Master Trust					
2017-C, A					
2.310%, 8/15/24	100	100			
TOTAL ASSET-BACKED SECURITIES					
(Identified Cost \$310)		308			
CORPORATE BONDS AND NOTES—45.7%					
Consumer Discretionary—7.0%					
BMW US Capital LLC 144A					
1.500%, 4/11/19 ⁽¹⁾	111	110			
Daimler Finance North America LLC 144A					
1.500%, 7/5/19 ⁽¹⁾	180	178			
Consumer Discretionary—continued					
General Motors Financial Co., Inc.					
2.400%, 5/9/19	\$ 256	\$ 256			
Newell Brands, Inc.					
2.600%, 3/29/19	132	132			
Wal-Mart Stores, Inc.					
1.750%, 10/9/19	119	119			
				<u>795</u>	
Consumer Staples—3.1%					
BAT Capital Corp. 144A					
2.297%, 8/14/20 ⁽¹⁾	93	92			
Molson Coors Brewing Co.					
1.450%, 7/15/19	266	263			
				<u>355</u>	
Energy—0.4%					
Spectra Energy Partners LP					
2.950%, 9/25/18	49	49			
Financials—20.6%					
Air Lease Corp.					
3.375%, 1/15/19	102	103			
Bank of America Corp.					
2.600%, 1/15/19	185	186			
Bank of Montreal					
2.100%, 12/12/19	171	170			
Capital One Financial Corp.					
2.500%, 5/12/20	148	148			
Citibank NA					
2.100%, 6/12/20	330	328			
Ford Motor Credit Co., LLC					
2.375%, 3/12/19	330	330			
Goldman Sachs Group, Inc. (The)					
5.950%, 1/18/18	245	245			
Morgan Stanley					
2.375%, 7/23/19	185	185			
Shell International Finance BV					
1.375%, 9/12/19	173	171			
UBS Group 144A					
2.200%, 6/8/20 ⁽¹⁾	296	294			
Wells Fargo & Co.					
2.150%, 1/30/20	185	185			
				<u>2,345</u>	
Industrials—0.7%					
Lockheed Martin Corp.					
1.850%, 11/23/18	83	83			
Information Technology—6.5%					
Dell International LLC 144A					
3.480%, 6/1/19 ⁽¹⁾	200	202			
Fortive Corp.					
1.800%, 6/15/19	150	149			
TSMC Global Ltd. 144A					
1.625%, 4/3/18 ⁽¹⁾	200	200			

See Notes to Financial Statements.

VIRTUS SEIX SHORT-TERM BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value
Information Technology—continued		
VMware, Inc. 2.300%, 8/21/20	\$ 188	\$ 187
		738
Materials—3.2%		
Chevron Phillips Chemical Co. LLC 144A 1.700%, 5/1/18 ⁽¹⁾	188	188
Sherwin-Williams Co. (The) 2.250%, 8/15/20	175	174
		362
Utilities—4.2%		
Dominion Energy, Inc. 2.579%, 7/1/20	185	185
Emera US Finance LP 2.150%, 6/15/19	296	295
		480
TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$5,224)		5,207
TOTAL LONG-TERM INVESTMENTS—99.2% (Identified Cost \$11,341)		11,290
	Shares	
SHORT-TERM INVESTMENT—0.3%		
MONEY MARKET MUTUAL FUND—0.3%		
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽³⁾	35,852	36
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$36)		36
TOTAL INVESTMENTS—99.5% (Identified Cost \$11,377)		\$11,326
Other assets and liabilities, net—0.5%		59
NET ASSETS—100.0%		\$11,385

Abbreviation:

REMIC Real Estate Mortgage Investment Conduit

Footnote Legend:

- ⁽¹⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$1,701 or 14.9% of net assets.
- ⁽²⁾ Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- ⁽³⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Country Weightings (Unaudited)[†]

United States	93%
Switzerland	3
Taiwan	2
Netherlands	1
Canada	1
Total Investments	100%

[†] % of total investments as of December 31, 2017

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	\$ 308	\$—	\$ 308	\$—
Corporate Bonds And Notes	5,207	—	5,207	—
Mortgage-Backed Securities	2,786	—	2,786	—
U.S. Government Securities	2,989	—	2,989	—
Short-Term Investment	36	36	—	—
Total Investments	\$11,326	\$36	\$11,290	\$—

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX SHORT-TERM MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
MUNICIPAL BONDS⁽¹⁾—94.8%					
Alabama—7.7%					
Baldwin County Board of Education Revenue, 5.000%, 6/1/19	\$1,250	\$ 1,309			
County of Jefferson Revenue, 4.000%, 9/15/18	1,205	1,225			
		<u>2,534</u>			
California—6.2%					
California Infrastructure & Economic Development Bank Revenue, Mandatory Put 4/1/2020 1.556%, 4/1/38 ⁽²⁾	1,250	1,249			
California Municipal Finance Authority, Bowles Hall Foundation Revenue, 4.000%, 6/1/21	200	211			
State of California, General Obligation, 5.000%, 11/1/24	500	599			
		<u>2,059</u>			
Colorado—4.0%					
State of Colorado General Fund Revenue, 5.000%, 6/27/18	1,300	1,322			
District of Columbia—3.1%					
District of Columbia Water & Sewer Authority Revenue, (Pre-refunded 10/1/18 @ 100) 6.000%, 10/1/35	1,000	1,033			
Florida—1.7%					
Orlando City, Senior Lien Revenue, (AGM Insured) 5.000%, 11/1/22	500	568			
Georgia—4.2%					
Clarke County Board of Education, General Obligation, (State Aid Withholding Insured) 5.000%, 9/1/21	1,240	1,385			
Idaho—3.1%					
State of Idaho, General Obligation, 4.000%, 6/29/18	1,000	1,013			
Illinois—9.8%					
Chicago O'Hare International Airport Revenue, 5.000%, 1/1/19	1,500	1,552			
Chicago O'Hare International Airport, Passenger Facilities Charge Revenue, 5.000%, 1/1/25	1,020	1,128			
Sales Tax Securitization Corp., Sales Tax Revenue, 5.000%, 1/1/23	500	570			
		<u>3,250</u>			
Maryland—1.6%					
Maryland State Transportation Authority Revenue, 5.000%, 7/1/23	500	509			
Missouri—3.8%					
Missouri State Board of Public Buildings Revenue, 4.000%, 4/1/18	1,235	1,243			
New Jersey—7.6%					
New Jersey Transportation Trust Fund Authority, Federal Highway Reimbursement Revenue, 5.000%, 6/15/19			\$1,000	\$ 1,037	
New Jersey Turnpike Authority Revenue, 5.000%, 1/1/25			1,250	1,485	
				<u>2,522</u>	
North Carolina—2.3%					
North Carolina Medical Care Commission, Mission Health System Revenue, 5.000%, 10/1/18			745	765	
Oregon—1.4%					
Washington County School District No 1 West Union, General Obligation, (SCH BD GTY Insured) 5.000%, 6/15/23			400	466	
Pennsylvania—4.7%					
Delaware River Port Authority Revenue, 5.000%, 1/1/28			500	531	
Philadelphia Gas Works Co., Revenue, 5.000%, 10/1/18			1,000	1,026	
				<u>1,557</u>	
Rhode Island—6.6%					
State of Rhode Island, General Obligation, 5.000%, 8/1/18			2,150	2,193	
Texas—17.5%					
Austin Convention Enterprises, Inc., Convention Center Hotel Revenue, 5.000%, 1/1/22			300	335	
Austin Independent School District, General Obligation, (Pre-refunded 8/1/18 @ 100) 5.000%, 8/1/33			1,000	1,020	
Mansfield Independent School District, General Obligation, Mandatory Put 8/2/21 (PSF-GTD Insured) 2.500%, 8/1/42 ⁽²⁾			1,000	1,034	
New Hope Cultural Education Facilities Finance Corp., Revenue, (AGM Insured) 4.000%, 4/1/18			200	201	
North Texas Tollway Authority Revenue, 5.000%, 1/1/25			1,400	1,605	
5.000%, 1/1/26			500	574	
State of Texas Revenue, 4.000%, 8/30/18			1,000	1,016	
				<u>5,785</u>	
Virginia—3.5%					
Virginia Commonwealth Transportation Board Revenue, 5.000%, 5/15/23			1,000	1,160	
Washington—6.0%					
Energy Northwest Electric Revenue, 5.000%, 7/1/26			750	850	

See Notes to Financial Statements.

VIRTUS SEIX SHORT-TERM MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>
Washington—continued		
Port of Seattle, General Obligation, 5.250%, 12/1/20	\$1,030	\$ 1,134
		1,984
TOTAL MUNICIPAL BONDS (Identified Cost \$31,423)		31,348
TOTAL LONG-TERM INVESTMENTS—94.8% (Identified Cost \$31,423)		31,348
	<u>Shares</u>	
SHORT-TERM INVESTMENT—4.0%		
MONEY MARKET MUTUAL FUND—4.0% Dreyfus AMT-Free Tax Exempt Cash Management (seven-day effective yield 1.270%) ⁽³⁾	1,321,823	1,322
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$1,322)		1,322
TOTAL INVESTMENTS—98.8% (Identified Cost \$32,745)		\$32,670
Other assets and liabilities, net—1.2%		384
NET ASSETS—100.0%		\$33,054

Abbreviations:

AGM Assured Guaranty Municipal Corp.
PSF-GTD Permanent School Fund Guarantee Program
SCH BD GTY School Bond Guaranty

Footnote Legend:

- ⁽¹⁾ At December 31, 2017, 11.2% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies. None of the Insurers concentration exceeds 10% of the Fund's net assets.
⁽²⁾ Variable or step coupon security; interest rate shown reflects the rate in effect at December 31, 2017.
⁽³⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Municipal Bonds	\$31,348	\$ —	\$31,348	\$—
Short-Term Investment	1,322	1,322	—	—
Total Investments	<u>\$32,670</u>	<u>\$1,322</u>	<u>\$31,348</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
U. S. GOVERNMENT SECURITIES—40.8%			Agency—continued		
U.S. Treasury Bond			Pool #G60661	\$ 12,497	\$ 13,074
2.750%, 8/15/47	\$ 62,641	\$ 62,649	4.000%, 7/1/46		
U.S. Treasury Note			Pool #Q08306		
0.750%, 8/15/19	528	518	3.500%, 5/1/42	411	425
1.375%, 4/30/20 ⁽¹⁾	87,136	86,047	Pool #Q13801		
2.000%, 5/31/21	35,652	35,588	3.000%, 12/1/42	768	772
1.875%, 1/31/22 ⁽²⁾	83,823	82,946	Pool #Q31645		
1.875%, 7/31/22	8,080	7,970	4.000%, 2/1/45	3,849	4,038
2.250%, 11/15/27	81,152	79,982	Pool #Q35611		
			4.000%, 9/1/45	4,431	4,655
TOTAL U. S. GOVERNMENT SECURITIES		355,700	Pool #Q37163		
(Identified Cost \$357,402)			3.500%, 11/1/45	2,377	2,457
			Pool #Q40123		
FOREIGN GOVERNMENT SECURITIES—5.1%			3.500%, 4/1/46	2,336	2,416
Argentine Republic			Pool #Q40124		
22.750%, 3/5/18	183,838 ^{ARS}	10,527	3.500%, 4/1/46	2,916	3,013
21.200%, 9/19/18	188,131 ^{ARS}	10,429	Pool #V81992		
7.500%, 4/22/26	20,760	23,483	4.000%, 10/1/45	6,566	6,869
			Federal National Mortgage Association		
TOTAL FOREIGN GOVERNMENT SECURITIES		44,439	Pool #932441		
(Identified Cost \$44,462)			4.000%, 1/1/40	4,706	4,949
			Pool #AL0215		
MORTGAGE-BACKED SECURITIES—28.2%			4.500%, 4/1/41	3,156	3,384
Agency—23.3%			Pool #AL6223		
Federal Home Loan Mortgage Corporation			4.500%, 8/1/44	446	475
K021, X1			Pool #AL7497		
1.465%, 6/25/22 ⁽³⁾	74,343	4,005	3.500%, 9/1/40	5,403	5,582
K027, X1			Pool #AL9127		
0.798%, 1/25/23 ⁽³⁾	81,782	2,673	4.000%, 10/1/44	9,700	10,234
Pool #A95796			Pool #AP7874		
4.000%, 12/1/40	826	868	3.500%, 10/1/42	1,560	1,611
Pool #A95822			Pool #AS6515		
4.000%, 12/1/40	2,169	2,294	4.000%, 1/1/46	4,284	4,484
Pool #C04123			Pool #AS9571		
4.000%, 7/1/42	3,070	3,237	3.500%, 5/1/42	8,672	8,957
Pool #G01779			Pool #AV3452		
5.000%, 4/1/35	218	237	4.000%, 2/1/44	3,285	3,441
Pool #G01837			Pool #AW8154		
5.000%, 7/1/35	665	722	3.500%, 1/1/42	5,031	5,200
Pool #G01838			Pool #AY2685		
5.000%, 7/1/35	188	204	4.500%, 1/1/45	477	510
Pool #G05326			Pool #AZ0572		
5.000%, 2/1/38	863	937	3.000%, 6/1/42	1,657	1,666
Pool #G05606			Pool #AZ9213		
4.500%, 7/1/39	5,037	5,377	4.000%, 10/1/45	4,553	4,791
Pool #G06061			Pool #BA6414		
4.000%, 10/1/40	2,116	2,235	3.000%, 12/1/41	903	909
Pool #G07491			Pool #BC2470		
4.500%, 3/1/42	36	38	3.500%, 2/1/46	1,924	1,995
Pool #G08347			Pool #BD9394		
4.500%, 6/1/39	1,769	1,888	3.500%, 6/1/45	105	108
Pool #G08353			Pool #BE5050		
4.500%, 7/1/39	2,242	2,392	4.000%, 9/1/45	4,260	4,462
Pool #G08372			Pool #MA3026		
4.500%, 11/1/39	1,322	1,411	3.500%, 6/1/47	636	654
Pool #G60019			Government National Mortgage Association		
4.500%, 3/1/44	5,196	5,542	Pool #783653		
Pool #G60126			5.000%, 8/15/40	446	483
4.500%, 11/1/41	292	311	Pool #AM0226		
Pool #G60589			4.000%, 5/15/45	975	1,018
4.000%, 2/1/45	4,595	4,808	Pool #AM8631		
			4.000%, 7/15/45	1,875	1,957

See Notes to Financial Statements.

VIRTUS SEIX TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Agency—continued			ASSET-BACKED SECURITIES—5.2%		
Pool #AN5745			Automobiles—0.5%		
4.000%, 7/15/45	\$ 2,166	\$ 2,264	Ford Credit Auto Owner Trust 2014-2, A 144A		
Pool #AN5766			2.310%, 4/15/26 ⁽⁴⁾		
4.000%, 7/15/45	944	986	\$ 4,485	\$ 4,492	
Pool #AN6811			Credit Card—3.8%		
4.000%, 7/15/45	867	905	Cabela's Credit Card Master Note Trust 2014-2, A (1 month LIBOR + 0.450%)		
Pool #AV6530			1.927%, 7/15/22 ⁽³⁾		
4.000%, 8/20/46	1,003	1,048	3,700	3,713	
Pool #MA2681			Capital One Multi-Asset Execution Trust		
5.000%, 3/20/45	1,220	1,317	2005-B3, B3 (3 month LIBOR + 0.550%)		
Pool #MA4072			1.909%, 5/15/28 ⁽³⁾		
5.000%, 11/20/46	1,387	1,487	1,827	1,797	
Pool #MA4779			2017-A5, A5 (1 month LIBOR + 0.580%)		
4.000%, 10/20/47	9,933	10,404	5,820	5,865	
Pool #MA4838			Citibank Credit Card Issuance Trust 2017-A6, A6 (1 month LIBOR + 0.770%)		
4.000%, 11/20/47	23,148	24,268	2.242%, 5/14/29 ⁽³⁾		
Pool #MA4901			6,330	6,389	
4.000%, 12/20/47	15,602	16,357	Discover Card Execution Note Trust 2017-A5, A5 (1 month LIBOR + 0.600%)		
		202,804	2.077%, 12/15/26 ⁽³⁾		
			7,815	7,901	
			Master Credit Card Trust II 2017-1A, A 144A		
			2.260%, 7/21/21 ⁽⁴⁾		
			4,140	4,139	
			World Financial Network Credit Card Master Trust		
			2017-C, A		
			3,540	3,525	
				33,329	
			Other—0.9%		
			Five Guys Funding LLC 2017-1A, A2 144A		
			4.600%, 7/25/47 ⁽⁴⁾		
			2,993	3,070	
			Taco Bell Funding LLC 2016-1A, A2II 144A		
			4.377%, 5/25/46 ⁽⁴⁾		
			765	789	
			Verizon Owner Trust 2017-1A, A 144A		
			2.060%, 9/20/21 ⁽⁴⁾		
			3,340	3,332	
				7,191	
			TOTAL ASSET-BACKED SECURITIES		
			(Identified Cost \$44,667)		
				45,012	
			CORPORATE BONDS AND NOTES—18.2%		
			Consumer Discretionary—0.5%		
			General Motors Co.		
			5.200%, 4/1/45		
			3,783	3,994	
			Consumer Staples—0.7%		
			BAT Capital Corp. 144A		
			4.540%, 8/15/47 ⁽⁴⁾		
			2,787	2,932	
			Japan Tobacco, Inc. 144A		
			2.100%, 7/23/18 ⁽⁴⁾		
			1,852	1,854	
			Molson Coors Brewing Co.		
			4.200%, 7/15/46		
			1,546	1,574	
				6,360	
			Energy—3.7%		
			Andeavor Logistics LP		
			4.250%, 12/1/27		
			863	870	
			Baker Hughes a GE Co. LLC 144A		
			4.080%, 12/15/47 ⁽⁴⁾		
			2,687	2,730	
			Boardwalk Pipelines LP		
			4.450%, 7/15/27		
			1,007	1,024	
			TOTAL MORTGAGE-BACKED SECURITIES		
			(Identified Cost \$245,445)		
		245,698			

See Notes to Financial Statements.

VIRTUS SEIX TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
Energy—continued			Financials—continued		
Energy Transfer LP			Royal Bank of Scotland Group plc		
5.300%, 4/15/47	\$ 2,413	\$ 2,396	3.875%, 9/12/23	\$ 3,188	\$ 3,242
Enesco plc			SMBC Aviation Capital Finance DAC 144A		
4.500%, 10/1/24	1,048	880	3.000%, 7/15/22 ⁽⁴⁾	2,761	2,734
5.200%, 3/15/25	2,521	2,143	UBS AG 144A		
5.750%, 10/1/44	1,580	1,082	2.450%, 12/1/20 ⁽⁴⁾	1,980	1,974
HollyFrontier Corp.			US Bank NA		
5.875%, 4/1/26	3,496	3,889	2.050%, 10/23/20	1,636	1,624
Nabors Industries, Inc.			Wells Fargo & Co.		
5.500%, 1/15/23	2,597	2,513	3.069%, 1/24/23	3,013	3,035
Sabine Pass Liquefaction LLC					<u>56,989</u>
4.200%, 3/15/28	3,694	3,736			
Schlumberger Holdings Corp.			Health Care—0.8%		
144A 3.000%, 12/21/20 ⁽⁴⁾	1,726	1,748	Eli Lilly & Co.		
144A 4.000%, 12/21/25 ⁽⁴⁾	3,054	3,209	3.950%, 5/15/47	1,844	1,978
Schlumberger Investment SA 144A			Howard Hughes Medical Institute		
3.300%, 9/14/21 ⁽⁴⁾	1,309	1,341	3.500%, 9/1/23	1,426	1,494
Shell International Finance BV			Medtronic, Inc.		
1.750%, 9/12/21	1,606	1,567	3.500%, 3/15/25	557	578
TechnipFMC plc 144A			4.625%, 3/15/45	1,416	1,648
3.450%, 10/1/22 ⁽⁴⁾	508	507	Novartis Securities Investment Ltd.		
Transcanada Trust			5.125%, 2/10/19	765	790
5.300%, 3/15/77	473	488			<u>6,488</u>
Woodside Finance Ltd. 144A					
4.600%, 5/10/21 ⁽⁴⁾	2,086	2,184	Industrials—1.3%		
		<u>32,307</u>	ERAC USA Finance LLC 144A		
			5.250%, 10/1/20 ⁽⁴⁾	1,149	1,226
Financials—6.5%			General Electric Co.		
Aviation Capital Group LLC 144A			2.700%, 10/9/22	1,118	1,116
3.500%, 11/1/27 ⁽⁴⁾	2,904	2,845	Johnson Controls International plc		
Bank of America Corp.			4.500%, 2/15/47	1,928	2,116
3.124%, 1/20/23	5,000	5,071	L3 Technologies, Inc.		
3.593%, 7/21/28	4,842	4,920	3.850%, 12/15/26	1,106	1,137
Barclays plc			Rockwell Collins, Inc.		
4.337%, 1/10/28	1,851	1,915	3.500%, 3/15/27	3,583	3,647
BNP Paribas SA 144A			United Airlines Pass-Through-Trust 2016-1, A		
3.500%, 11/16/27 ⁽⁴⁾	3,696	3,678	3.450%, 7/7/28	1,220	1,237
Citigroup, Inc.			Xylem, Inc.		
3.887%, 1/10/28	2,147	2,222	3.250%, 11/1/26	1,076	1,070
Credit Suisse Group AG					<u>11,549</u>
144A 3.574%, 1/9/23 ⁽⁴⁾	1,383	1,406	Information Technology—1.5%		
144A 4.282%, 1/9/28 ⁽⁴⁾	2,778	2,896	Apple, Inc.		
Fifth Third Bank			3.000%, 6/20/27	1,315	1,309
2.200%, 10/30/20	1,428	1,419	Arrow Electronics, Inc.		
JPMorgan Chase & Co.			3.875%, 1/12/28	1,126	1,122
3.540%, 5/1/28	2,482	2,524	NVIDIA Corp.		
Lazard Group LLC			3.200%, 9/16/26	1,522	1,526
3.750%, 2/13/25	3,554	3,624	Oracle Corp.		
Manufacturers & Traders Trust Co.			2.650%, 7/15/26	4,473	4,360
3.400%, 8/17/27	1,750	1,770	TSMC Global Ltd. 144A		
Morgan Stanley			1.625%, 4/3/18 ⁽⁴⁾	3,589	3,583
2.625%, 11/17/21	1,501	1,494	VMware, Inc.		
3.591%, 7/22/28	1,915	1,932	3.900%, 8/21/27	1,347	1,359
4.375%, 1/22/47	2,185	2,393			<u>13,259</u>
Nationwide Financial Services, Inc. 144A			Materials—1.0%		
5.375%, 3/25/21 ⁽⁴⁾	1,746	1,881	Barrick PD Australia Finance Pty Ltd.		
Northwestern Mutual Life Insurance Co. (The) 144A			5.950%, 10/15/39	3,237	4,035
3.850%, 9/30/47 ⁽⁴⁾	330	334			
PNC Bank NA					
2.150%, 4/29/21	1,221	1,210			
Regions Bank					
2.250%, 9/14/18	845	846			

See Notes to Financial Statements.

VIRTUS SEIX TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>
Materials—continued		
Newmont Mining Corp. 6.250%, 10/1/39	\$ 3,435	\$ 4,389
		<u>8,424</u>
Real Estate—0.6%		
Boston Properties LP 3.650%, 2/1/26	1,283	1,303
Digital Realty Trust LP 3.950%, 7/1/22	2,468	2,578
4.750%, 10/1/25	1,499	1,629
		<u>5,510</u>
Telecommunication Services—0.9%		
AT&T, Inc. 2.375%, 11/27/18	1,854	1,860
4.350%, 6/15/45	5,006	4,614
Verizon Communications, Inc. 5.012%, 4/15/49	1,248	1,308
		<u>7,782</u>
Utilities—0.7%		
Duke Energy Corp. 3.750%, 9/1/46	2,420	2,391
FirstEnergy Transmission LLC 144A 5.450%, 7/15/44 ⁽⁴⁾	2,969	3,524
		<u>5,915</u>
TOTAL CORPORATE BONDS AND NOTES (Identified Cost \$152,072)		
		158,577
TOTAL LONG-TERM INVESTMENTS—97.5% (Identified Cost \$844,048)		
		849,426
	<u>Shares</u>	
SHORT-TERM INVESTMENT—2.9%		
MONEY MARKET MUTUAL FUND—2.9%		
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽⁵⁾	25,626,312	25,626
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$25,626)		
		25,626
TOTAL INVESTMENTS—100.4% (Identified Cost \$869,674)		
		\$875,052
Other assets and liabilities, net—(0.4)%		<u>(3,760)</u>
NET ASSETS—100.0%		
		<u>\$871,292</u>

Abbreviation:

LIBOR London Interbank Offered Rate

Footnote Legend:

⁽¹⁾ All or a portion of the security is segregated as collateral for open swap contracts.

⁽²⁾ All or a portion of the security is segregated as collateral for forward foreign currency exchange contracts.

⁽³⁾ Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.

⁽⁴⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$98,788 or 11.3% of net assets.

⁽⁵⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Counterparties:

JPM JPMorgan Securities LLC

Foreign Currencies:

ARS Argentine pesos

CNH Chinese Yuan

Country Weightings (Unaudited)[†]

United States	90%
Argentina	5
United Kingdom	1
Switzerland	1
Australia	1
Ireland	1
Canada	1
Total Investments	100%

[†] % of total investments as of December 31, 2017

Forward foreign currency exchange contracts as of December 31, 2017 were as follows:

Currency Purchased	Value	Currency Sold	Value	Counterparty	Settlement Date	Unrealized Appreciation	Unrealized (Depreciation)
CNH	139,435	USD	20,230	JPM	01/17/18	\$1,155	
USD	19,500	CNH	139,435	JPM	01/17/18		\$(1,885)
Total						<u>\$1,155</u>	<u>\$(1,885)</u>

See Notes to Financial Statements.

VIRTUS SEIX TOTAL RETURN BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

Centrally Cleared credit default swaps - buy protection⁽¹⁾ outstanding as of December 31, 2017 were as follows:

Reference Entity	Counterparty	Fixed Receive Rate	Expiration Date	Notional Amount ⁽²⁾	Value	Premiums Received	Unrealized Appreciation (Depreciation)
ICE - CDX.NA.HY.28	JPM	5.000%	06/20/22	(93,060)	USD	\$(8,269)	\$(2,665)
Total						<u>\$(8,269)</u>	<u>\$(2,665)</u>

⁽¹⁾ If the Fund is a buyer of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) receive from the seller of protection an amount equal to the notional amount of the swap and deliver the referenced obligation or underlying investments comprising the referenced index or (ii) receive a net settlement amount in the form of cash or investments equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying investments comprising the referenced index.

⁽²⁾ The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Assets:				
Debt Securities:				
Asset-Backed Securities	\$ 45,012	\$ —	\$ 45,012	\$—
Corporate Bonds And Notes	158,577	—	158,577	—
Foreign Government Securities	44,439	—	44,439	—
Mortgage-Backed Securities	245,698	—	245,698	—
U.S. Government Securities	355,700	—	355,700	—
Short-Term Investment	25,626	25,626	—	—
Other Financial Instruments:				
Forward foreign currency exchange contract	1,155	—	1,155	—
Liabilities:				
Other Financial Instruments:				
Forward foreign currency exchange contract	(1,885)	—	(1,885)	—
Centrally Cleared Credit default swap	(2,665)	—	(2,665)	—
Total Investments	<u>\$871,657</u>	<u>\$25,626</u>	<u>\$846,031</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
U.S. GOVERNMENT SECURITIES—4.7%					
Federal Agricultural Mortgage Corp. (3 month LIBOR + 0.300%)					
1.667%, 1/25/23 ⁽¹⁾⁽²⁾	\$ 3,000	\$ 3,003			
Federal Farm Credit Banks					
(1 month LIBOR + 0.550%)					
2.102%, 1/26/27 ⁽¹⁾⁽²⁾	14,700	14,822			
(1 month LIBOR + 0.600%)					
2.155%, 12/8/26 ⁽¹⁾⁽²⁾	4,700	4,761			
U.S. Treasury Note					
1.250%, 12/31/18	42,700	42,462			
(U.S. Treasury 3 month Bill Money Market Yield + 0.048%)					
1.488%, 10/31/19 ⁽¹⁾⁽²⁾	900	900			
TOTAL U.S. GOVERNMENT SECURITIES		65,948			
(Identified Cost \$65,772)					
MORTGAGE-BACKED SECURITIES—91.2%					
Agency—91.2%					
Federal Home Loan Mortgage Corporation					
KF28, A (1 month LIBOR + 0.360%)					
1.732%, 1/25/24 ⁽²⁾	24,288	24,322			
KP04, AG1 (1 month LIBOR + 0.220%)					
1.463%, 7/25/20 ⁽²⁾	38,000	38,000			
Pool #1Q1195 (12 month LIBOR + 1.610%)					
3.360%, 5/1/37 ⁽²⁾	7,739	8,083			
Pool #1Q1420 (12 month LIBOR + 1.855%)					
3.625%, 9/1/39 ⁽²⁾	10,839	11,392			
Pool #848736 (12 month LIBOR + 1.750%)					
3.487%, 5/1/35 ⁽²⁾	16,505	17,365			
Pool #848744 (12 month LIBOR + 1.789%)					
3.556%, 5/1/34 ⁽²⁾	11,133	11,745			
Pool #848747 (12 month LIBOR + 1.870%)					
3.644%, 7/1/36 ⁽²⁾	10,070	10,659			
Pool #848796 (12 month LIBOR + 1.812%)					
3.567%, 5/1/37 ⁽²⁾	17,521	18,470			
Federal Home Loan Mortgage Corporation Multifamily					
Structured Pass-Through Certificates					
K711, A2					
1.730%, 7/25/19	700	696			
K712, A2					
1.869%, 11/25/19	5,070	5,049			
KF15, A (1 month LIBOR + 0.670%)					
2.042%, 2/25/23 ⁽²⁾	9,493	9,535			
KF22, A (1 month LIBOR + 0.500%)					
1.872%, 7/25/23 ⁽²⁾	8,571	8,591			
KF32, A (1 month LIBOR + 0.370%)					
1.742%, 5/25/24 ⁽²⁾	4,799	4,809			
KLH3, A (1 month LIBOR + 0.700%)					
2.072%, 11/25/22 ⁽²⁾	9,371	9,416			
KLSF, A (1 month LIBOR + 0.330%)					
1.702%, 11/25/21 ⁽²⁾	6,259	6,259			
KS05, A (1 month LIBOR + 0.500%)					
1.872%, 1/25/23 ⁽²⁾	5,972	5,987			
KSKY, AT (1 month LIBOR + 0.440%)					
1.683%, 8/25/27 ⁽¹⁾⁽²⁾	9,740	9,748			
Federal Home Loan Mortgage Corporation REMIC					
2781, FA (1 month LIBOR + 0.350%)					
1.827%, 4/15/34 ⁽²⁾	7,567	7,585			
2796, F (1 month LIBOR + 0.500%)					
1.977%, 5/15/34 ⁽²⁾	4,935	4,952			
Agency—continued					
2979, FG (1 month LIBOR + 0.380%)			\$ 3,109	\$ 3,124	
1.857%, 5/15/35 ⁽²⁾					
3117, FE (1 month LIBOR + 0.300%)			3,385	3,391	
1.777%, 2/15/36 ⁽²⁾					
3136, FA (1 month LIBOR + 0.550%)			14,667	14,779	
2.027%, 4/15/36 ⁽²⁾					
3261, FA (1 month LIBOR + 0.320%)			9,804	9,807	
1.797%, 1/15/37 ⁽²⁾					
3346, FA (1 month LIBOR + 0.230%)			199	199	
1.707%, 2/15/19 ⁽²⁾					
3418, FB (1 month LIBOR + 0.300%)			2,884	2,886	
1.777%, 4/15/20 ⁽²⁾					
3990, GF (1 month LIBOR + 0.400%)			9,144	9,154	
1.877%, 3/15/41 ⁽²⁾					
3994, JF (1 month LIBOR + 0.380%)			4,650	4,665	
1.857%, 3/15/40 ⁽²⁾					
3995, PF (1 month LIBOR + 0.450%)			8,429	8,457	
1.927%, 5/15/39 ⁽²⁾					
4057, CF (1 month LIBOR + 0.450%)			8,345	8,360	
1.927%, 4/15/39 ⁽²⁾					
4150, JF (1 month LIBOR + 0.300%)			5,399	5,408	
1.777%, 6/15/41 ⁽²⁾					
4203, PF (1 month LIBOR + 0.250%)			18,115	18,087	
1.727%, 9/15/42 ⁽²⁾					
4287, BF (1 month LIBOR + 0.250%)			4,054	4,052	
1.727%, 2/15/33 ⁽²⁾					
Federal National Mortgage Association					
3.470%, 6/1/18			3,589	3,583	
2011-M1, FA (1 month LIBOR + 0.450%)			24,856	24,878	
2.002%, 6/25/21 ⁽²⁾					
2014-M10, ASQ2			3,321	3,321	
2.171%, 9/25/19 ⁽²⁾					
2016-M13, FA (1 month LIBOR + 0.670%)			16,563	16,610	
1.908%, 11/25/23 ⁽²⁾					
2016-M8, FA (1 month LIBOR + 0.500%)			31,786	31,933	
2.052%, 7/25/26 ⁽²⁾					
2016-M9, FA (1 month LIBOR + 0.590%)			45,558	45,716	
1.828%, 9/25/23 ⁽²⁾					
2017-M11, FA (1 month LIBOR + 0.470%)			23,916	23,950	
1.708%, 9/25/24 ⁽²⁾					
2017-M2, FA (1 month LIBOR + 0.530%)			15,909	15,963	
1.768%, 2/25/24 ⁽²⁾					
Pool #463520			2,240	2,330	
4.550%, 10/1/19					
Pool #463617			3,560	3,705	
4.910%, 10/1/19					
Pool #AD0064 (6 month LIBOR + 1.556%)			4,869	5,050	
3.056%, 1/1/35 ⁽²⁾					
Pool #AE0544 (12 month LIBOR + 1.744%)			5,775	6,033	
3.494%, 11/1/40 ⁽²⁾					
Pool #AL0270 (12 month LIBOR + 1.618%)			7,531	7,872	
3.364%, 8/1/38 ⁽²⁾					
Pool #AL0323 (12 month LIBOR + 1.817%)			5,768	6,046	
3.640%, 6/1/41 ⁽²⁾					
Pool #AL0960 (12 month LIBOR + 1.697%)			9,756	10,255	
3.443%, 7/1/37 ⁽²⁾					
Pool #AL2202 (12 month LIBOR + 1.699%)			4,993	5,239	
3.430%, 6/1/36 ⁽²⁾					
Pool #AL6516 (12 month LIBOR + 1.749%)			8,864	9,271	
3.480%, 4/1/40 ⁽²⁾					
Pool #AL7812 (12 month LIBOR + 1.734%)			15,522	16,181	
3.484%, 11/1/40 ⁽²⁾					

See Notes to Financial Statements.

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Agency—continued			Agency—continued		
Pool #AL8796 (12 month LIBOR + 1.813%) 3.581%, 9/1/41 ⁽²⁾	\$19,841	\$ 20,768	2013-62, FQ (1 month LIBOR + 0.250%) 1.802%, 9/25/32 ⁽²⁾	\$10,751	\$ 10,734
Pool #AL8872 (12 month LIBOR + 1.798%) 3.545%, 7/1/42 ⁽²⁾	28,653	30,013	2016-32, FA (1 month LIBOR + 0.400%) 1.952%, 10/25/34 ⁽²⁾	23,990	24,070
Pool #AM2078 1.670%, 1/1/20	11,024	10,883	2016-36, FB (1 month LIBOR + 0.500%) 2.052%, 3/25/43 ⁽²⁾	10,865	10,863
Pool #AM2292 (1 month LIBOR + 0.350%) 1.593%, 1/1/23 ⁽²⁾	8,015	8,015	FMPRE Multifamily Aggregation Risk Transfer Trust 2017-KT01, A (1 month LIBOR + 0.320%) 1.855%, 2/25/20 ⁽²⁾	10,000	10,025
Pool #AM4510 (1 month LIBOR + 0.490%) 1.733%, 11/1/23 ⁽²⁾	1,709	1,711	FRESB Mortgage Trust 2015-SB3, A5 (1 month LIBOR + 2.012%) 2.012%, 8/25/42 ⁽²⁾	10,332	10,249
Pool #AM4611 (1 month LIBOR + 0.460%) 1.832%, 11/1/23 ⁽²⁾	4,624	4,626	2015-SB6, A5 (1 month LIBOR + 2.270%) 2.270%, 9/25/35 ⁽²⁾	7,010	6,959
Pool #AM7028 (1 month LIBOR + 0.240%) 1.611%, 10/1/19 ⁽²⁾	20,130	20,131	2015-SB9, A5 (1 month LIBOR + 0.700%) 2.535%, 11/25/35 ⁽²⁾	40,125	40,025
Pool #AM7213 (1 month LIBOR + 0.650%) 2.022%, 8/1/22 ⁽²⁾	4,534	4,535	2016-SB11, A5 (1 month LIBOR + 2.500%) 144A 2.500%, 1/25/36 ⁽²⁾⁽³⁾	1,377	1,374
Pool #AM9651 (1 month LIBOR + 0.300%) 1.672%, 8/1/22 ⁽²⁾	14,330	14,330	2016-SB16, A5H (1 month LIBOR + 2.130%) 2.130%, 5/25/36 ⁽²⁾	4,737	4,666
Pool #AN1582 (1 month LIBOR + 0.440%) 1.812%, 9/1/23 ⁽²⁾	14,525	14,511	2016-SB18, A5H (1 month LIBOR + 0.700%) 2.110%, 5/25/36 ⁽²⁾	4,306	4,240
Pool #AN2256 (1 month LIBOR + 0.580%) 1.952%, 7/1/23 ⁽²⁾	17,620	17,622	2016-SB20, A5H (1 month LIBOR + 2.140%) 2.140%, 7/25/36 ⁽²⁾	12,500	12,288
Pool #AN2605 (1 month LIBOR + 0.460%) 1.832%, 8/1/23 ⁽²⁾	10,000	9,988	Government National Mortgage Association 2003-57, FA (1 month LIBOR + 0.450%) 1.941%, 7/16/33 ⁽²⁾	7,017	7,083
Pool #AN2868 (1 month LIBOR + 0.490%) 1.862%, 12/1/24 ⁽²⁾	4,700	4,702	2003-67, FP (1 month LIBOR + 0.900%) 2.401%, 8/20/33 ⁽²⁾	5,622	5,743
Pool #AN3414 (1 month LIBOR + 0.600%) 1.972%, 1/1/23 ⁽²⁾	11,766	11,765	2004-106, F (1 month LIBOR + 0.250%) 1.741%, 12/16/34 ⁽²⁾	6,828	6,821
Pool #AN3539 (1 month LIBOR + 0.470%) 1.713%, 11/1/21 ⁽²⁾	17,145	17,144	2004-95, F (1 month LIBOR + 0.300%) 1.801%, 11/20/34 ⁽²⁾	5,303	5,310
Pool #AN3661 (1 month LIBOR + 0.580%) 1.952%, 11/1/26 ⁽²⁾	3,000	3,012	2005-41, FC (1 month LIBOR + 0.300%) 1.801%, 5/20/35 ⁽²⁾	8,506	8,514
Pool #AN3845 (1 month LIBOR + 0.540%) 1.783%, 12/1/23 ⁽²⁾	16,318	16,320	2009-121, NF (1 month LIBOR + 0.500%) 2.001%, 2/20/37 ⁽²⁾	14,001	14,152
Pool #AN4300 (1 month LIBOR + 0.560%) 1.803%, 1/1/24 ⁽²⁾	14,487	14,489	2010-157, QF (1 month LIBOR + 0.400%) 1.901%, 1/20/40 ⁽²⁾	2,130	2,134
Pool #AN4364 (1 month LIBOR + 0.590%) 1.962%, 1/1/24 ⁽²⁾	2,990	2,992	2011-133, PF (1 month LIBOR + 0.400%) 1.901%, 12/20/35 ⁽²⁾	5,840	5,873
Pool #AN5208 (1 month LIBOR + 0.390%) 1.762%, 3/1/22 ⁽²⁾	4,739	4,739	2011-145, FA (1 month LIBOR + 0.300%) 1.791%, 3/16/34 ⁽²⁾	4,367	4,374
Pool #AN5986 (1 month LIBOR + 0.370%) 1.742%, 12/1/22 ⁽²⁾	8,250	8,249	2012-13, KF (1 month LIBOR + 0.300%) 1.801%, 7/20/38 ⁽²⁾	3,536	3,545
Pool #AN6559 (1 month LIBOR + 0.450%) 1.822%, 4/1/25 ⁽²⁾	1,900	1,910	2016-H22, FJ (1 month LIBOR + 0.390%) 1.633%, 10/20/66 ⁽²⁾	16,603	16,619
Pool #AN6591 (1 month LIBOR + 0.400%) 1.772%, 12/1/24 ⁽²⁾	10,600	10,654	2017-H13, FJ (1 month LIBOR + 0.200%) 1.443%, 5/20/67 ⁽²⁾	25,349	25,342
Pool #BM1720 (12 month LIBOR + 1.604%) 2.723%, 9/1/47 ⁽²⁾	10,434	10,545	Pool #BD4157 (U.S. Treasury Yield Curve CMT 1 year + 1.500%) 2.500%, 11/20/47 ⁽²⁾	16,059	16,147
Federal National Mortgage Association REMIC 2005-58, KF (1 month LIBOR + 0.500%) 2.052%, 7/25/35 ⁽²⁾	7,509	7,524	Pool #MA4342 (U.S. Treasury Yield Curve CMT 1 year + 1.500%) 2.500%, 3/20/47 ⁽²⁾	3,560	3,593
2006-113, NF (1 month LIBOR + 0.350%) 1.902%, 9/25/36 ⁽²⁾	7,798	7,798	Pool #MA4473 (U.S. Treasury Yield Curve CMT 1 year + 1.500%) 2.500%, 5/20/47 ⁽²⁾	3,291	3,311
2010-109, PF (1 month LIBOR + 0.400%) 1.952%, 10/25/40 ⁽²⁾	3,515	3,530	Pool #MA4532 (U.S. Treasury Yield Curve CMT 1 year + 1.500%) 2.500%, 6/20/47 ⁽²⁾	4,592	4,620
2010-137, WB 3.599%, 7/25/40	4,168	4,336			
2011-117, FP (1 month LIBOR + 0.400%) 1.952%, 8/25/40 ⁽²⁾	6,788	6,817			
2012-60, WF (1 month LIBOR + 0.350%) 1.902%, 6/25/27 ⁽²⁾	12,898	12,907			
2013-34, PF (1 month LIBOR + 0.350%) 1.902%, 8/25/42 ⁽²⁾	12,011	12,038			

See Notes to Financial Statements.

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Shares	Value
Agency—continued					
Pool #MA4673 (U.S. Treasury Yield Curve CMT 1 year + 1.500%)					
2.500%, 8/20/47 ⁽²⁾	\$ 1,122	\$ 1,128			
Pool #MA4800 (U.S. Treasury Yield Curve CMT 1 year + 1.500%)					
2.500%, 10/20/47 ⁽²⁾	3,571	3,591			
NCUA Guaranteed Notes Trust					
2010-R1, 1A (1 month LIBOR + 0.450%)					
1.779%, 10/7/20 ⁽²⁾	23,643	23,680			
2010-R2, 2A (1 month LIBOR + 0.470%)					
1.873%, 11/5/20 ⁽²⁾	28,194	28,299			
2010-R3, 1A (1 month LIBOR + 0.560%)					
1.963%, 12/8/20 ⁽²⁾	6,739	6,763			
2010-R3, 2A (1 month LIBOR + 0.560%)					
1.963%, 12/8/20 ⁽²⁾	1,934	1,945			
2011-R1, 1A (1 month LIBOR + 0.450%)					
1.779%, 1/8/20 ⁽²⁾	18,312	18,351			
2011-R2, 1A (1 month LIBOR + 0.400%)					
1.803%, 2/6/20 ⁽²⁾	30,641	30,745			
2011-R3, 1A (1 month LIBOR + 0.400%)					
1.729%, 3/11/20 ⁽²⁾	998	1,000			
Small Business Administration					
Pool #510032 (PRIME minus 2.650%)					
1.600%, 6/25/34 ⁽²⁾	6,628	6,587			
Pool #510076 (PRIME minus 2.650%)					
1.600%, 5/25/27 ⁽²⁾	9,646	9,595			
Pool #510083 (PRIME minus 2.650%)					
1.600%, 9/25/27 ⁽²⁾	2,039	2,029			
		1,263,959			
TOTAL MORTGAGE-BACKED SECURITIES					
(Identified Cost \$1,259,863)					1,263,959
ASSET-BACKED SECURITY—1.5%					
Student Loan—1.5%					
NCUA Guaranteed Notes Trust 2010-A1, A (1 month LIBOR + 0.350%)					
1.757%, 12/7/20 ⁽²⁾	20,902	20,914			
TOTAL ASSET-BACKED SECURITY					
(Identified Cost \$20,907)					20,914
TOTAL LONG-TERM INVESTMENTS—97.4%					
(Identified Cost \$1,346,542)					1,350,821

SHORT-TERM INVESTMENT—3.1%

MONEY MARKET MUTUAL FUND—3.1%

Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽¹⁾⁽⁴⁾	42,829,285	\$ 42,829
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TOTAL SHORT-TERM INVESTMENT		
(Identified Cost \$42,829)		42,829

TOTAL INVESTMENTS—100.5%		
(Identified Cost \$1,389,371)		\$1,393,650
Other assets and liabilities, net—(0.5)%		(7,536)

NET ASSETS—100.0%		\$1,386,114
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Abbreviations:

LIBOR London Interbank Offered Rate
 REMIC Real Estate Mortgage Investment Conduit

Footnote Legend:

- (1) All or a portion of the security is segregated as collateral for open futures contracts.
- (2) Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$1,374 or 0.1% of net assets.
- (4) Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Futures contracts as of December 31, 2017 were as follows:

		Contracts Purchased/(Sold)	Notional Value	Unrealized Appreciation (Depreciation)
U.S. Treasury 2 Year Note	March 2018	(238)	\$(50,958)	\$104
U.S. Treasury 5 Year Note	March 2018	(75)	(8,712)	34
Total				\$138

See Notes to Financial Statements.

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Security	\$ 20,914	\$ —	\$ 20,914	\$—
Mortgage-Backed Securities	1,263,959	—	1,263,959	—
U.S. Government Securities	65,948	—	65,948	—
Short-Term Investment	42,829	42,829	—	—
Other Financial Instruments:				
Futures contracts	138	138	—	—
Total Investments	<u>\$1,393,788</u>	<u>\$42,967</u>	<u>\$1,350,821</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX U.S. MORTGAGE FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
U.S. GOVERNMENT SECURITY—1.8%			Agency—continued		
U.S. Treasury Note			Pool #Q38473		
2.250%, 11/15/27	\$ 465	\$ 458	4.000%, 1/1/46	\$ 488	\$ 510
<hr/>			Pool #Q40123	210	218
TOTAL U.S. GOVERNMENT SECURITY			3.500%, 4/1/46	213	220
(Identified Cost \$460)		458	Pool #Q40124		
<hr/>			3.500%, 4/1/46	348	364
MORTGAGE-BACKED SECURITIES—94.3%			Pool #V81283	399	418
Agency—90.2%			4.000%, 7/1/44		
Federal Home Loan Mortgage Corporation			Pool #V81992		
Pool #A85718			4.000%, 10/1/45		
4.000%, 4/1/39	47	50	Federal National Mortgage Association		
Pool #A95085			2013-M6, X1		
4.000%, 11/1/40	506	531	2.152%, 2/25/43 ⁽¹⁾	2,879	147
Pool #A95147			2017-M2, A2		
4.000%, 11/1/40	83	87	2.784%, 2/25/27 ⁽¹⁾	220	219
Pool #A95796			Pool #890381		
4.000%, 12/1/40	62	65	3.500%, 10/1/41	265	274
Pool #C01785			Pool #932441		
5.000%, 2/1/34	137	148	4.000%, 1/1/40	194	204
Pool #C04123			Pool #AB6401		
4.000%, 7/1/42	287	302	3.000%, 10/1/37	265	266
Pool #G01838			Pool #AB7768		
5.000%, 7/1/35	101	110	3.000%, 2/1/38	392	394
Pool #G05477			Pool #AI5868		
4.500%, 5/1/39	162	175	4.500%, 7/1/41	231	248
Pool #G05606			Pool #AI9101		
4.500%, 7/1/39	317	338	3.500%, 4/1/42	398	411
Pool #G06061			Pool #AJ9317		
4.000%, 10/1/40	105	111	4.000%, 1/1/42	462	486
Pool #G07031			Pool #AJ9327		
4.000%, 5/1/42	421	444	3.500%, 1/1/42	116	120
Pool #G07491			Pool #AK5151		
4.500%, 3/1/42	231	246	3.000%, 3/1/42	227	228
Pool #G08347			Pool #AL0215		
4.500%, 6/1/39	28	29	4.500%, 4/1/41	123	132
Pool #G08372			Pool #AL2891		
4.500%, 11/1/39	137	146	3.500%, 12/1/42	668	692
Pool #G60019			Pool #AL6223		
4.500%, 3/1/44	412	440	4.500%, 8/1/44	484	516
Pool #G60589			Pool #AL7497		
4.000%, 2/1/45	407	426	3.500%, 9/1/40	668	690
Pool #G60661			Pool #AL7570		
4.000%, 7/1/46	93	98	4.000%, 7/1/42	142	150
Pool #Q06771			Pool #AL9127		
3.000%, 3/1/42	207	208	4.000%, 10/1/44	146	154
Pool #Q08306			Pool #A08632		
3.500%, 5/1/42	440	454	3.500%, 7/1/42	1,052	1,087
Pool #Q09949			Pool #AP7874		
3.000%, 8/1/42	147	148	3.500%, 10/1/42	176	182
Pool #Q10929			Pool #AS6620		
3.500%, 9/1/42	373	385	3.500%, 2/1/46	640	659
Pool #Q11220			Pool #AS9571		
3.500%, 9/1/42	40	42	3.500%, 5/1/42	346	357
Pool #Q11651			Pool #AV3452		
3.000%, 10/1/42	102	103	4.000%, 2/1/44	162	170
Pool #Q13801			Pool #AW8154		
3.000%, 12/1/42	169	170	3.500%, 1/1/42	576	596
Pool #Q26366			Pool #AY2685		
4.000%, 5/1/44	179	189	4.500%, 1/1/45	57	61
Pool #Q31645			Pool #AY8851		
4.000%, 2/1/45	85	89	4.000%, 8/1/45	255	266
			Pool #AZ0572		
			3.000%, 6/1/42	87	88

See Notes to Financial Statements.

VIRTUS SEIX U.S. MORTGAGE FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Shares	Value
Agency—continued					
Pool #AZ5755					
3.500%, 9/1/45	\$ 573	\$ 592			
Pool #AZ9213					
4.000%, 10/1/45	580	611			
Pool #BC2470					
3.500%, 2/1/46	169	176			
Pool #BE5050					
4.000%, 9/1/45	214	225			
Pool #MA0639					
4.000%, 2/1/41	497	522			
Pool #MA2341					
4.500%, 6/1/45	143	152			
Government National Mortgage Association					
Pool #AA5471					
4.000%, 12/15/41	624	654			
Pool #AE8170					
4.000%, 2/15/44	104	109			
Pool #AM0226					
4.000%, 5/15/45	97	101			
Pool #AV6530					
4.000%, 8/20/46	111	116			
Pool #MA2681					
5.000%, 3/20/45	221	239			
Pool #MA4653					
4.000%, 8/20/47	725	759			
Pool #MA4779					
4.000%, 10/20/47	1,547	1,620			
Pool #MA4838					
4.000%, 11/20/47	499	523			
Pool #MA4901					
4.000%, 12/20/47	300	315			
		22,775			
Non-Agency—4.1%					
FREMF Mortgage Trust					
2012-K21, B 144A					
3.938%, 7/25/45 ⁽¹⁾⁽²⁾	580	605			
2013-K25, B 144A					
3.619%, 11/25/45 ⁽¹⁾⁽²⁾	122	125			
GS Mortgage Securities Trust					
2012-BWTR, A 144A					
2.954%, 11/5/34 ⁽²⁾	205	204			
2012-BWTR, B 144A					
3.255%, 11/5/34 ⁽²⁾	109	110			
		1,044			
TOTAL MORTGAGE-BACKED SECURITIES		23,819			
(Identified Cost \$23,819)					
TOTAL LONG-TERM INVESTMENTS—96.1%		24,277			
(Identified Cost \$24,279)					
SHORT-TERM INVESTMENT—3.6%					
MONEY MARKET MUTUAL FUND—3.6%					
Dreyfus Government Cash Management Fund -					
Institutional Shares (seven-day effective yield					
1.190%) ⁽³⁾			890,861		\$ 891
TOTAL SHORT-TERM INVESTMENT					
(Identified Cost \$891)					891
TOTAL INVESTMENTS—99.7%					
(Identified Cost \$25,170)					\$25,168
Other assets and liabilities, net—0.3%					87
NET ASSETS—100.0%					\$25,255
Footnote Legend:					
⁽¹⁾ Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.					
⁽²⁾ Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$1,044 or 4.1% of net assets.					
⁽³⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.					

See Notes to Financial Statements.

VIRTUS SEIX U.S. MORTGAGE FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Mortgage-Backed Securities	\$23,819	\$ —	\$23,819	\$—
U.S. Government Security	458	—	458	—
Short-Term Investment	891	891	—	—
Total Investments	<u>\$25,168</u>	<u>\$891</u>	<u>\$24,277</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
U.S. GOVERNMENT SECURITY—0.1%					
U.S. Treasury Note (U.S. Treasury 3 month Bill Money Market Yield + 0.048%) 1.488%, 10/31/19 ⁽¹⁾⁽²⁾	\$ 100	\$ 100			
TOTAL U.S. GOVERNMENT SECURITY (Identified Cost \$100)		100			
MORTGAGE-BACKED SECURITIES—38.6%					
Agency—29.9%					
Federal Home Loan Mortgage Corporation KF28, A (1 month LIBOR + 0.360%) 1.732%, 1/25/24 ⁽²⁾	972	973			
KP04, AG1 (1 month LIBOR + 0.220%) 1.463%, 7/25/20 ⁽²⁾	1,200	1,200			
Federal National Mortgage Association 2016-M9, FA (1 month LIBOR + 0.590%) 1.828%, 9/25/23 ⁽²⁾	309	310			
Pool #AM2292 (1 month LIBOR + 0.350%) 1.593%, 1/1/23 ⁽²⁾	898	898			
Pool #AN1582 (1 month LIBOR + 0.440%) 1.812%, 9/1/23 ⁽²⁾	1,000	999			
Pool #AN3414 (1 month LIBOR + 0.600%) 1.972%, 1/1/23 ⁽²⁾	979	979			
Pool #AN3539 (1 month LIBOR + 0.470%) 1.713%, 11/1/21 ⁽²⁾	979	978			
Pool #AN3845 (1 month LIBOR + 0.540%) 1.783%, 12/1/23 ⁽²⁾	2,649	2,649			
Pool #AN4300 (1 month LIBOR + 0.560%) 1.803%, 1/1/24 ⁽²⁾	3,030	3,030			
Pool #AN4364 (1 month LIBOR + 0.590%) 1.962%, 1/1/24 ⁽²⁾	1,000	1,001			
Pool #AN5986 (1 month LIBOR + 0.370%) 1.742%, 12/1/22 ⁽²⁾	1,000	1,000			
Federal National Mortgage Association REMIC 2007-57, FE (1 month LIBOR + 0.370%) 1.922%, 5/25/37 ⁽²⁾	716	717			
FMPRE Multifamily Aggregation Risk Transfer Trust 2017-KT01, A (1 month LIBOR + 0.320%) 1.855%, 2/25/20 ⁽²⁾	2,000	2,005			
FRESB Mortgage Trust 2015-SB7, A5 (1 month LIBOR + 2.370%) 2.370%, 9/25/35 ⁽²⁾	509	507			
2016-SB11, A5 (1 month LIBOR + 2.500%) 144A 2.500%, 1/25/36 ⁽²⁾⁽³⁾	551	550			
		17,796			
Non-Agency—8.7%					
Chicago Skyscraper Trust 2017-SKY, A (1 month LIBOR + 0.800%) 144A 2.277%, 2/15/30 ⁽²⁾⁽³⁾	1,000	1,002			
Cold Storage Trust 2017-ICE3, A (1 month LIBOR + 1.000%) 144A 2.477%, 4/15/36 ⁽²⁾⁽³⁾	1,000	1,003			
Commercial Mortgage Trust 2013-CR13, A1 1.259%, 11/12/46	631	630			
FREMF Mortgage Trust 2012-K710, B 144A 3.812%, 6/25/47 ⁽²⁾⁽³⁾	945	960			
2013-K713, B 144A 3.165%, 4/25/46 ⁽²⁾⁽³⁾	240	241			
Non-Agency—continued					
Morgan Stanley Bank of America Merrill Lynch Trust 2013-C12, A1 1.313%, 10/15/46	\$ 223	\$ 223			
WFRBS Commercial Mortgage Trust 2012-C7, AFL (1 month LIBOR + 1.200%) 144A 2.677%, 6/15/45 ⁽²⁾⁽³⁾	970	989			
2013-C11, A3 2.695%, 3/15/45	134	133			
		5,181			
TOTAL MORTGAGE-BACKED SECURITIES (Identified Cost \$22,974)					22,977
ASSET-BACKED SECURITIES—10.6%					
Automobiles—3.4%					
Hyundai Auto Receivables Trust 2014-A, B 1.730%, 8/15/19	585	585			
Mercedes-Benz Master Owner Trust 2017-BA, A (1 month LIBOR + 0.420%) 144A 1.897%, 5/16/22 ⁽²⁾⁽³⁾	800	803			
Nissan Master Owner Trust Receivables 2015-A, A2 1.440%, 1/15/20	650	650			
		2,038			
Credit Card—5.5%					
Capital One Multi-Asset Execution Trust 2005-B3, B3 (3 month LIBOR + 0.550%) 1.909%, 5/15/28 ⁽²⁾	1,253	1,232			
Citibank Credit Card Issuance Trust 2017-A6, A6 (1 month LIBOR + 0.770%) 2.242%, 5/14/29 ⁽²⁾	1,000	1,009			
Discover Card Execution Note Trust 2017-A5, A5 (1 month LIBOR + 0.600%) 2.077%, 12/15/26 ⁽²⁾	1,000	1,011			
		3,252			
Equipment—1.7%					
Volvo Financial Equipment Master Owner Trust 2017-A, A (1 month LIBOR + 0.500%) 144A 1.977%, 11/15/22 ⁽²⁾⁽³⁾	1,000	1,003			
TOTAL ASSET-BACKED SECURITIES (Identified Cost \$6,209)					6,293
CORPORATE BONDS AND NOTES—47.0%					
Consumer Discretionary—9.4%					
BMW US Capital LLC 144A 1.500%, 4/11/19 ⁽³⁾	671	666			
Daimler Finance North America LLC (3 month LIBOR + 0.860%) 144A 2.237%, 8/1/18 ⁽²⁾⁽³⁾	1,314	1,319			
Ford Motor Credit Co., LLC 5.000%, 5/15/18	1,013	1,023			
General Motors Financial Co., Inc. 2.400%, 5/9/19	1,039	1,039			
Newell Brands, Inc. 2.600%, 3/29/19	1,028	1,032			

See Notes to Financial Statements.

VIRTUS SEIX ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
Consumer Discretionary—continued				Industrials—continued	
Wal-Mart Stores, Inc. 1.750%, 10/9/19	\$ 495	\$ 493		Siemens Financieringsmaatschappij N.V. 144A 2.200%, 3/16/20 ⁽³⁾	\$1,019
		5,572			1,540
Consumer Staples—4.6%				Information Technology—4.6%	
BAT Capital Corp. 144A 2.297%, 8/14/20 ⁽³⁾	623	619		Dell International LLC 144A 3.480%, 6/1/19 ⁽³⁾	1,019
Church & Dwight Co., Inc. (3 month LIBOR + 0.150%) 1.517%, 1/25/19 ⁽²⁾	450	450		Fortive Corp. 1.800%, 6/15/19	1,052
CVS Health Corp. 1.900%, 7/20/18	656	656		VMware, Inc. 2.300%, 8/21/20	650
Molson Coors Brewing Co. 1.450%, 7/15/19 ⁽¹⁾	1,050	1,037			2,722
		2,762		Materials—3.4%	
Energy—3.5%				Chevron Phillips Chemical Co. LLC 144A 1.700%, 5/1/18 ⁽¹⁾⁽³⁾	1,233
BP Capital Markets plc (3 month LIBOR + 0.630%) 2.305%, 9/26/18 ⁽²⁾	1,168	1,172		Sherwin-Williams Co. (The) 2.250%, 5/15/20 ⁽¹⁾	810
Chevron Corp. 1.686%, 2/28/19	897	895			2,040
		2,067		Utilities—1.6%	
Financials—13.6%				Emera US Finance LP 2.150%, 6/15/19 ⁽¹⁾	963
Bank of America Corp. 2.000%, 1/11/18 ⁽¹⁾	1,034	1,034			959
Bank of Montreal 2.100%, 12/12/19 ⁽¹⁾	905	902		TOTAL CORPORATE BONDS AND NOTES	
Capital One Financial Corp. 2.500%, 5/12/20	679	678		(Identified Cost \$28,036)	
Citibank NA 2.100%, 6/12/20	790	785		TOTAL LONG-TERM INVESTMENTS—96.3%	
Credit Suisse New York (3 month LIBOR + 0.690%) 2.068%, 1/29/18 ⁽²⁾	1,150	1,150		(Identified Cost \$57,319)	
Goldman Sachs Group, Inc. (The) 5.950%, 1/18/18	1,213	1,215			
Morgan Stanley 2.125%, 4/25/18 ⁽¹⁾	1,051	1,051		Shares	
UBS Group 144A 2.200%, 6/8/20 ⁽¹⁾⁽³⁾	708	704		SHORT-TERM INVESTMENT—3.3%	
US Bank NA 2.050%, 10/23/20	599	595		MONEY MARKET MUTUAL FUND—3.3%	
		8,114		Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 1.190%) ⁽¹⁾⁽⁴⁾	
Health Care—3.7%					1,958,123
Gilead Sciences, Inc. (3 month LIBOR + 0.220%) 1.845%, 3/20/19 ⁽²⁾	1,000	1,001		TOTAL SHORT-TERM INVESTMENT	
McKesson Corp. 2.284%, 3/15/19	214	214		(Identified Cost \$1,958)	
Thermo Fisher Scientific, Inc. 2.400%, 2/1/19	1,010	1,012		TOTAL INVESTMENTS—99.6%	
		2,227		(Identified Cost \$59,277)	
Industrials—2.6%				Other assets and liabilities, net—0.4%	
PACCAR Financial Corp. (3 month LIBOR + 0.600%) 2.108%, 12/6/18 ⁽¹⁾⁽²⁾	520	522		217	
				NET ASSETS—100.0%	
				\$59,548	

Abbreviations:
LIBOR London Interbank Offered Rate
REMIC Real Estate Mortgage Investment Conduit

See Notes to Financial Statements.

VIRTUS SEIX ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

Footnote Legend:

- (1) All or a portion of the security is segregated as collateral for open futures contracts.
- (2) Variable rate security. Rate disclosed is as of December 31, 2017. For leveraged loans, the rate shown may represent a weighted average interest rate. Information in parenthesis represents benchmark and reference rate for each security. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions, or, for mortgage-backed securities, are impacted by the individual mortgages which are paying off over time. These securities do not indicate a reference rate and spread in their descriptions.
- (3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2017, these securities amounted to a value of \$13,141 or 22.1% of net assets.
- (4) Shares of these funds are publicly offered, and the prospectus and annual reports of each are publicly available.

Country Weightings (Unaudited)[†]

United States	92%
Switzerland	3
United Kingdom	2
Netherlands	2
Canada	1
Total Investments	100%
[†] % of total investments as of December 31, 2017	

Futures contracts as of December 31, 2017 were as follows:

Issue	Expiration	Contracts Purchased/(Sold)	Notional Value	Unrealized Appreciation (Depreciation)
U.S. Treasury 2 Year Note	March 2018	(48)	\$(10,277)	\$21
Total				<u>\$21</u>

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Asset-Backed Securities	\$ 6,293	\$ —	\$ 6,293	\$—
Corporate Bonds And Notes	28,003	—	28,003	—
Mortgage-Backed Securities	22,977	—	22,977	—
U.S. Government Security	100	—	100	—
Short-Term Investment	1,958	1,958	—	—
Other Financial Instruments:				
Futures contract	21	21	—	—
Total Investments	<u>\$59,352</u>	<u>\$1,979</u>	<u>\$57,373</u>	<u>\$—</u>

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS SEIX VIRGINIA INTERMEDIATE MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS
DECEMBER 31, 2017

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
MUNICIPAL BONDS⁽¹⁾—93.0%					
District of Columbia—5.6%					
Transportation Revenue—5.6%					
Metropolitan Washington Airports Authority, (BHAC Insured), 5.000%, 10/1/26	\$2,175	\$ 2,301			
Georgia—2.9%					
General Revenue—2.9%					
Private Colleges & Universities Authority, Savannah College of Art & Design Project, 5.000%, 4/1/23	1,065	1,202			
North Carolina—4.6%					
General Revenue—4.6%					
North Carolina Capital Facilities Finance Agency, High Point University, 5.000%, 5/1/32	1,740	1,876			
Virginia—79.9%					
General Obligation—7.6%					
City of Chesapeake, 5.000%, 8/1/23	1,000	1,173			
County of Isle Wight, (State Aid Withholding Insured), 5.000%, 7/1/35	750	870			
(State Aid Withholding Insured), 4.000%, 7/1/42	1,000	1,086			
		3,129			
General Revenue—29.2%					
Greater Richmond Convention Center Authority, 5.000%, 6/15/28	875	1,037			
5.000%, 6/15/30	1,000	1,179			
5.000%, 6/15/32	1,000	1,170			
Northern Virginia Transportation Authority, 5.000%, 6/1/26	1,250	1,487			
Virginia College Building Authority, Washington & Lee University, 5.375%, 1/1/21	2,795	2,937			
Virginia Commonwealth Transportation Board, 4.000%, 5/15/31	1,000	1,109			
Virginia Public School Authority, (State Aid Withholding Insured), 5.000%, 8/1/27	1,560	1,802			
Virginia Resources Authority, 5.000%, 11/1/30	1,000	1,240			
		11,961			
Healthcare Revenue—11.1%					
Fairfax County Industrial Development Authority, Inova Health System Project, 5.000%, 5/15/27	500	570			
Hanover County Economic Development Authority, Regional Medical Care Project (NATL Insured), 6.375%, 8/15/18	935	962			
Virginia—continued					
Healthcare Revenue—continued					
Roanoke Economic Development Authority, Carilion Clinic Obligated Group, 5.000%, 7/1/27			\$1,000	\$ 1,117	
Virginia Commonwealth University Health System Authority 5.000%, 7/1/33			1,600	1,904	
				4,553	
Lease Revenue—9.1%					
Fairfax County Economic Development Authority, 5.000%, 10/1/31			500	613	
5.000%, 10/1/34			1,000	1,209	
Loudoun County Economic Development Authority, Sycolin Road Project, 5.000%, 6/1/31			1,000	1,099	
Richmond Industrial Development Authority, (AMBAC Insured), 5.000%, 7/15/18			795	808	
				3,729	
Pre-Refunded—5.2%					
Virginia Commonwealth Transportation Board, (Pre-refunded 3/15/22 @ 100), 5.000%, 3/15/24			500	564	
Virginia Port Authority, (Pre-refunded 7/1/25 @ 100), 5.000%, 7/1/32			1,000	1,191	
Virginia Public Building Authority, (Pre-refunded 8/1/21 @ 100), 5.000%, 8/1/31			10	11	
Virginia Resources Authority, (Pre-refunded 11/1/22 @ 100), 5.000%, 11/1/28			330	379	
				2,145	
Transportation Revenue—4.0%					
Virginia Small Business Financing Authority, Senior Lien, 5.000%, 7/1/34			1,500	1,623	
Water & Sewer Revenue—13.7%					
Fairfax County Water Authority, 5.000%, 4/1/27			600	679	
Hampton Roads Sanitation District, 5.000%, 8/1/34			1,460	1,742	
Loudoun County Sanitation Authority, 4.000%, 1/1/28			1,000	1,095	
City of Norfolk, 5.250%, 11/1/44			1,750	2,085	
				5,601	
				32,741	
TOTAL MUNICIPAL BONDS (Identified Cost \$36,826)					38,120
TOTAL LONG-TERM INVESTMENTS—93.0% (Identified Cost \$36,826)					38,120

See Notes to Financial Statements.

VIRTUS SEIX VIRGINIA INTERMEDIATE MUNICIPAL BOND FUND
SCHEDULE OF INVESTMENTS (Continued)
DECEMBER 31, 2017

(\$ reported in thousands)

	Shares	Value
SHORT-TERM INVESTMENT—6.0%		
Money Market Mutual Fund—6.0%		
Dreyfus AMT-Free Tax Exempt Cash Management (seven-day effective yield 1.270%) ⁽²⁾	2,432,935	\$ 2,433
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$2,433)		2,433
TOTAL INVESTMENTS—99.0% (Identified Cost \$39,259)		\$40,553
Other assets and liabilities, net—1.0%		425
NET ASSETS—100.0%		\$40,978

Abbreviations:

AMBAC American Municipal Bond Assurance Corp.
BHAC Berkshire Hathaway Assurance Corp.
NATL National Public Finance Guarantee Corp.

Footnote Legend:

- ⁽¹⁾ At December 31, 2017, 19.3% of the securities in the portfolio are backed by insurance of financial institutions and financial guaranty assurance agencies. None of the Insurers concentration exceeds 10% of the Fund's net assets.
⁽²⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

The following table provides a summary of inputs used to value the Fund's investments as of December 31, 2017 (See Security Valuation Note 2A in the Notes to Financial Statements):

	Total Value at December 31, 2017	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Debt Securities:				
Municipal Bonds	\$38,120	\$ —	\$38,120	\$—
Short-Term Investment	2,433	2,433	—	—
Total Investments	\$40,553	\$2,433	\$38,120	\$—

There were no securities valued using significant unobservable inputs (Level 3) at December 31, 2017. There were no transfers between Level 1, Level 2, or Level 3 related to securities held at December 31, 2017.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	<u>Seix Core Bond Fund</u>	<u>Seix Corporate Bond Fund</u>	<u>Seix Floating Rate High Income Fund</u>
Assets			
Investments in securities at value	\$ 202,417	\$ 15,529	\$ 6,246,325
Cash	— ⁽¹⁾	—	24,699
Receivables			
Investment securities sold	—	116	48,686
Fund shares sold	64	— ⁽¹⁾	14,916
Receivable from adviser	—	6	—
Dividends and interest receivable	1,022	157	20,218
Prepaid expenses	26	26	168
Other assets	5	— ⁽¹⁾	147
	<u>203,534</u>	<u>15,834</u>	<u>6,355,159</u>
Liabilities			
Cash Overdraft	—	— ⁽¹⁾	—
Payables			
Fund shares repurchased	605	97	14,042
Investment securities purchased	1,857	432	343,226
Dividend distributions	9	2	3,662
Investment advisory fees	40	—	1,814
Distribution and service fees	3	6	67
Administration fees	19	1	561
Transfer and sub-transfer agent fees and expenses	61	7	1,236
Printing expenses	11	1	310
Trustees' fees and expenses	— ⁽¹⁾	— ⁽¹⁾	4
Professional fees	23	24	15
Trustee deferred compensation plan	5	— ⁽¹⁾	147
Other Accrued Expenses	7	1	636
	<u>2,640</u>	<u>571</u>	<u>365,720</u>
Net Assets	<u>200,894</u>	<u>15,263</u>	<u>5,989,439</u>
Net Assets Consist of			
Capital paid in on shares of beneficial interest	\$ 201,401	\$ 14,892	\$ 6,332,318
Accumulated undistributed net investment income (loss)	(6)	(1)	1,377
Accumulated Net Realized Gain (Loss) from Investments	(1,595)	31	(268,635)
Net Unrealized Appreciation (Depreciation) on Investments	1,094	341	(75,621)
	<u>200,894</u>	<u>15,263</u>	<u>5,989,439</u>
Net Assets:			
Class A	\$ 8,433	\$ 363	\$ 113,611
Class C	\$ —	\$ 6,518	\$ 51,551
Class I	\$ 186,029	\$ 8,382	\$ 4,546,547
Class R	\$ 3,153	\$ —	\$ —
Class R6*	\$ 3,279	\$ —	\$ 1,277,730
Shares Outstanding (unlimited number of shares authorized, no par value):			
Class A	793,633	41,424	13,054,777
Class C	—	747,259	5,922,511
Class I	17,500,448	960,634	522,506,536
Class R	296,419	—	—
Class R6*	308,421	—	146,766,164

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	<u>Seix Core Bond Fund</u>	<u>Seix Corporate Bond Fund</u>	<u>Seix Floating Rate High Income Fund</u>
Net Asset Value and Redemption Price Per Share:			
Class A	\$ 10.63	\$ 8.76	\$ 8.70
Class C	\$ —	\$ 8.72	\$ 8.70
Class I	\$ 10.63	\$ 8.73	\$ 8.70
Class R	\$ 10.64	\$ —	\$ —
Class R6 [*]	\$ 10.63	\$ —	\$ 8.71
Offering Price per Share (NAV/(1-Maximum Sales Charge)):			
Class A	\$ 11.04	\$ 9.10	\$ 8.95
Maximum Sales Charge - Class A	3.75%	3.75%	2.75%
Investments in securities at cost	\$ 201,323	\$ 15,188	\$ 6,321,946

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix Georgia Tax-Exempt Bond Fund	Seix High Grade Municipal Bond Fund	Seix High Income Fund
Assets			
Investments in securities at value	\$ 87,618	\$ 83,460	\$ 437,132
Cash	337	—	602
Receivables			
Investment securities sold	—	—	1,066
Fund shares sold	115	306	747
Dividends and interest receivable	1,289	818	6,920
Prepaid expenses	18	18	60
Other assets	2	2	10
	<u>89,379</u>	<u>84,604</u>	<u>446,537</u>
Liabilities			
Cash Overdraft	—	240	—
Payables			
Fund shares repurchased	192	428	5,969
Investment securities purchased	—	—	1,719
Investment advisory fees	21	20	264
Distribution and service fees	— ⁽¹⁾	1	12
Administration fees	8	8	42
Transfer and sub-transfer agent fees and expenses	18	15	140
Printing expenses	4	4	24
Trustees' fees and expenses	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾
Professional fees	23	24	24
Trustee deferred compensation plan	2	2	11
Other Accrued Expenses	1	3	17
	<u>269</u>	<u>745</u>	<u>8,222</u>
Net Assets	<u>89,110</u>	<u>83,859</u>	<u>438,315</u>
Net Assets Consist of			
Capital paid in on shares of beneficial interest	\$ 85,208	\$ 81,018	\$ 513,197
Accumulated undistributed net investment income (loss)	191	(2)	(235)
Accumulated Net Realized Gain (Loss) from Investments	189	395	(81,558)
Net Unrealized Appreciation (Depreciation) on Investments	3,522	2,448	6,911
	<u>89,110</u>	<u>83,859</u>	<u>438,315</u>
Net Assets:			
Class A	\$ 3,011	\$ 8,175	\$ 29,592
Class I	\$ 86,099	\$ 75,684	\$ 390,665
Class R	\$ —	\$ —	\$ 12,160
Class R6*	\$ —	\$ —	\$ 5,898
Shares Outstanding (unlimited number of shares authorized, no par value):			
Class A	284,448	684,828	4,530,546
Class I	8,145,412	6,341,833	59,900,727
Class R	—	—	1,863,093
Class R6*	—	—	904,952
Net Asset Value and Redemption Price Per Share:			
Class A	\$ 10.59	\$ 11.94	\$ 6.53
Class I	\$ 10.57	\$ 11.93	\$ 6.52
Class R	\$ —	\$ —	\$ 6.53
Class R6*	\$ —	\$ —	\$ 6.52

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix Georgia Tax-Exempt Bond Fund	Seix High Grade Municipal Bond Fund	Seix High Income Fund
Offering Price per Share (NAV/(1-Maximum Sales Charge)):			
Class A	\$ 10.89	\$ 12.28	\$ 6.78
Maximum Sales Charge - Class A	2.75%	2.75%	3.75%
Investments in securities at cost	\$ 84,096	\$ 81,012	\$ 430,221

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix High Yield Fund	Seix Investment Grade Tax-Exempt Bond Fund	Seix Limited Duration Fund
Assets			
Investments in securities at value	\$ 447,500	\$ 474,633	\$ 6,806
Cash	746	—	—
Receivables			
Investment securities sold	1,077	1,545	—
Fund shares sold	44	819	—
Receivable from adviser	—	—	9
Dividends and interest receivable	7,022	5,075	6
Prepaid expenses	40	22	3
Other assets	11	12	— ⁽¹⁾
	<u>456,440</u>	<u>482,106</u>	<u>6,824</u>
Liabilities			
Cash Overdraft	—	3,318	1
Payables			
Fund shares repurchased	835	3,237	—
Investment securities purchased	1,880	—	—
Dividend distributions	163	84	8
Investment advisory fees	181	193	—
Distribution and service fees	1	2	—
Administration fees	43	46	1
Transfer and sub-transfer agent fees and expenses	99	117	— ⁽¹⁾
Printing expenses	23	26	— ⁽¹⁾
Trustees' fees and expenses	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾
Professional fees	27	23	24
Trustee deferred compensation plan	11	12	— ⁽¹⁾
Other Accrued Expenses	15	14	1
	<u>3,278</u>	<u>7,072</u>	<u>35</u>
Net Assets	<u>453,162</u>	<u>475,034</u>	<u>6,789</u>
Net Assets Consist of			
Capital paid in on shares of beneficial interest	\$ 505,670	\$ 462,198	\$ 6,777
Accumulated undistributed net investment income (loss)	(12)	(13)	— ⁽¹⁾
Accumulated Net Realized Gain (Loss) from Investments	(59,787)	2,554	—
Net Unrealized Appreciation (Depreciation) on Investments	7,291	10,295	12
	<u>453,162</u>	<u>475,034</u>	<u>6,789</u>
Net Assets:			
Class A	\$ 4,810	\$ 11,066	\$ —
Class I	\$ 403,198	\$ 463,968	\$ 6,789
Class R	\$ 119	\$ —	\$ —
Class R6*	\$ 45,035	\$ —	\$ —
Shares Outstanding (unlimited number of shares authorized, no par value):			
Class A	586,200	942,022	—
Class I	47,935,611	39,545,082	688,725
Class R	14,138	—	—
Class R6*	5,351,315	—	—
Net Asset Value and Redemption Price Per Share:			
Class A	\$ 8.21	\$ 11.75	\$ —
Class I	\$ 8.41	\$ 11.73	\$ 9.86
Class R	\$ 8.41	\$ —	\$ —
Class R6*	\$ 8.42	\$ —	\$ —

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix High Yield Fund	Seix Investment Grade Tax-Exempt Bond Fund	Seix Limited Duration Fund
Offering Price per Share (NAV/(1-Maximum Sales Charge)):			
Class A	\$ 8.53	\$ 12.08	\$ —
Maximum Sales Charge - Class A	3.75%	2.75%	—%
Investments in securities at cost	\$ 440,209	\$ 464,338	\$ 6,794

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix North Carolina Tax-Exempt Bond Fund	Seix Short-Term Bond Fund	Seix Short-Term Municipal Bond Fund
Assets			
Investments in securities at value	\$ 21,869	\$ 11,326	\$ 32,670
Receivables			
Fund shares sold	435	134	37
Receivable from adviser	3	2	—
Dividends and interest receivable	311	51	398
Prepaid expenses	18	20	13
Other assets	1	— ⁽¹⁾	1
	<u>22,637</u>	<u>11,533</u>	<u>33,119</u>
Liabilities			
Cash Overdraft	—	— ⁽¹⁾	—
Payables			
Fund shares repurchased	272	109	7
Dividend distributions	3	1	19
Investment advisory fees	—	—	1
Distribution and service fees	— ⁽¹⁾	1	— ⁽¹⁾
Administration fees	2	1	3
Transfer and sub-transfer agent fees and expenses	6	8	5
Printing expenses	—	1	2
Trustees' fees and expenses	— ⁽¹⁾	—	— ⁽¹⁾
Professional fees	24	24	24
Trustee deferred compensation plan	1	— ⁽¹⁾	1
Other Accrued Expenses	2	3	3
	<u>310</u>	<u>148</u>	<u>65</u>
Net Assets	<u>22,327</u>	<u>11,385</u>	<u>33,054</u>
Net Assets Consist of			
Capital paid in on shares of beneficial interest	\$ 21,642	\$ 11,598	\$ 33,127
Accumulated undistributed net investment income (loss)	(1)	(1)	(2)
Accumulated Net Realized Gain (Loss) from Investments	— ⁽¹⁾	(161)	4
Net Unrealized Appreciation (Depreciation) on Investments	686	(51)	(75)
	<u>22,327</u>	<u>11,385</u>	<u>33,054</u>
Net Assets:			
Class A	\$ 1,436	\$ 2,210	\$ 1,765
Class C	\$ —	\$ 1,257	\$ —
Class I	\$ 20,891	\$ 7,918	\$ 31,289
Shares Outstanding (unlimited number of shares authorized, no par value):			
Class A	142,254	223,280	178,169
Class C	—	127,097	—
Class I	2,064,815	802,692	3,156,544
Net Asset Value and Redemption Price Per Share:			
Class A	\$ 10.09	\$ 9.90	\$ 9.91
Class C	\$ —	\$ 9.89	\$ —
Class I	\$ 10.12	\$ 9.86	\$ 9.91
Offering Price per Share (NAV/(1-Maximum Sales Charge)):			
Class A	\$ 10.38	\$ 10.13	\$ 10.14
Maximum Sales Charge - Class A	2.75%	2.25%	2.25%
Investments in securities at cost	21,183	11,377	32,745

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix Total Return Bond Fund	Seix U. S. Government Securities Ultra-Short Bond Fund	Seix U.S. Mortgage Fund
Assets			
Investments in securities at value	\$ 875,052	\$ 1,393,650	\$ 25,168
Foreign currency at value	461	—	—
Cash	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾
Unrealized appreciation on forward foreign currency exchange contracts	1,155	—	—
Receivables			
Investment securities sold	—	2,576	—
Fund shares sold	888	3,520	30
Receivable from adviser	—	—	6
Dividends and interest receivable	5,066	2,256	79
Prepaid expenses	43	35	18
Other assets	22	34	1
	<u>882,687</u>	<u>1,402,071</u>	<u>25,302</u>
Liabilities			
Variation margin payable on swaps	98	—	—
Variation margin payable on futures contracts	—	22	—
Unrealized depreciation on forward foreign currency exchange contracts	1,885	—	—
Payables			
Fund shares repurchased	760	2,069	6
Investment securities purchased	8,031	12,631	—
Dividend distributions	—	197	—
Investment advisory fees	187	351	—
Distribution and service fees	16	—	4
Administration fees	82	131	2
Transfer and sub-transfer agent fees and expenses	237	401	7
Printing expenses	46	71	1
Trustees' fees and expenses	1	1	— ⁽¹⁾
Professional fees	23	22	24
Trustee deferred compensation plan	22	34	1
Other Accrued Expenses	7	27	2
	<u>11,395</u>	<u>15,957</u>	<u>47</u>
Net Assets	<u>871,292</u>	<u>1,386,114</u>	<u>25,255</u>
Net Assets Consist of			
Capital paid in on shares of beneficial interest	\$ 876,861	\$ 1,395,636	\$ 25,321
Accumulated undistributed net investment income (loss)	2,090	(36)	(1)
Accumulated Net Realized Gain (Loss) from Investments, Futures, Swaps and Foreign Currency Transactions	(9,642)	(13,903)	(63)
Net Unrealized Appreciation (Depreciation) on Investments, Futures, Swaps and Foreign Currencies	1,983	4,417	(2)
	<u>871,292</u>	<u>1,386,114</u>	<u>25,255</u>
Net Assets:			
Class A	\$ 13,227	\$ —	\$ 2,566
Class C	\$ —	\$ —	\$ 3,722
Class I	\$ 681,010	\$ 1,343,042	\$ 18,967
Class R	\$ 31,959	\$ —	\$ —
Class R6	\$ 145,096	\$ 43,072	\$ —

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix Total Return Bond Fund	Seix U.S. Government Securities Ultra-Short Bond Fund	Seix U.S. Mortgage Fund
Shares Outstanding (unlimited number of shares authorized, no par value):			
Class A	1,228,354	—	231,439
Class C	—	—	335,123
Class I	65,374,237	134,104,995	1,707,587
Class R	3,067,471	—	—
Class R6*	13,925,823	4,294,739	—
Net Asset Value and Redemption Price Per Share:			
Class A	\$ 10.77	\$ —	\$ 11.09
Class C	\$ —	\$ —	\$ 11.11
Class I	\$ 10.42	\$ 10.01	\$ 11.11
Class R	\$ 10.42	\$ —	\$ —
Class R6*	\$ 10.42	\$ 10.03	\$ —
Offering Price per Share (NAV/(1-Maximum Sales Charge)):			
Class A	\$ 11.19	\$ —	\$ 11.35
Maximum Sales Charge - Class A	3.75%	—%	2.25%
Investments in securities at cost	\$ 869,674	\$ 1,389,371	\$ 25,170

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

(1) Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF ASSETS AND LIABILITIES (Continued)
DECEMBER 31, 2017

(\$ reported in thousands except shares and per share amounts)

	Seix Ultra-Short Bond Fund	Seix Virginia Intermediate Municipal Bond Fund
Assets		
Investments in securities at value	\$ 59,331	\$ 40,553
Cash	— ⁽¹⁾	113
Receivables		
Fund shares sold	113	—
Dividends and interest receivable	189	484
Prepaid expenses	9	16
Other assets	1	1
	<u>59,643</u>	<u>41,167</u>
Liabilities		
Variation margin payable on futures contracts	3	—
Payables		
Fund shares repurchased	28	36
Dividend distributions	7	105
Investment advisory fees	5	3
Distribution and service fees	—	—
Administration fees	6	4
Transfer and sub-transfer agent fees and expenses	13	11
Printing expenses	3	2
Trustees' fees and expenses	— ⁽¹⁾	— ⁽¹⁾
Professional fees	24	24
Trustee deferred compensation plan	1	1
Other Accrued Expenses	5	3
	<u>95</u>	<u>189</u>
Net Assets	<u>59,548</u>	<u>40,978</u>
Net Assets Consist of		
Capital paid in on shares of beneficial interest	\$ 59,947	\$ 39,396
Accumulated undistributed net investment income (loss)	(2)	19
Accumulated Net Realized Gain (Loss) from Investments and Futures	(472)	269
Net Unrealized Appreciation (Depreciation) on Investments and Futures	75	1,294
	<u>59,548</u>	<u>40,978</u>
Net Assets:		
Class A	\$ —	\$ 3,352
Class I	\$ 59,548	\$ 37,626
Shares Outstanding (unlimited number of shares authorized, no par value):		
Class A	—	351,803
Class I	5,972,907	3,947,539
Net Asset Value and Redemption Price Per Share:		
Class A	\$ —	\$ 9.53
Class I	\$ 9.97	\$ 9.53
Offering Price per Share (NAV/(1-Maximum Sales Charge)):		
Class A	\$ —	\$ 9.80
Maximum Sales Charge - Class A	—%	2.75%
Investments in securities at cost	59,277	39,259

⁽¹⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix Core Bond Fund		Seix Corporate Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 27	\$ —	\$ 3	\$ —
Interest	3,829	5,054	498	712
Security lending, net of fees	—	35	1	4
	<u>3,856</u>	<u>5,089</u>	<u>502</u>	<u>716</u>
Expenses				
Investment advisory fees	405	612	55	78
Distribution and service fees, Class A	20	26	1	2
Distribution and service fees, Class C	—	—	53	80
Distribution and service fees, Class R	12	17	—	—
Administration Fees	121	24	10	2
Transfer agent fees and expenses	59	54	8	14
Sub-transfer agent fees, Class A	7	4	—	—
Sub-transfer agent fees, Class C	—	—	3	—
Sub-transfer agent fees, Class I	217	324	13	13
Sub-transfer agent fees, Class R	2	2	—	—
Sub-Administration fees	6	30	—	2
Custodian fees	10	7	6	7
Printing fees and expenses	16	15	3	2
Professional fees	30	12	29	1
Registration fees	39	59	29	41
Trustees' fees and expenses	11	14	1	1
Miscellaneous expenses	17	38	2	10
	<u>972</u>	<u>1,238</u>	<u>213</u>	<u>253</u>
Less expenses reimbursed, waived and/or recouped by investment adviser	(130)	—	(57)	(41)
Distribution fees reimbursed (Note 13)	(2)	—	(9)	—
	<u>840</u>	<u>1,238</u>	<u>147</u>	<u>212</u>
Net Investment income (loss)	<u>3,016</u>	<u>3,851</u>	<u>355</u>	<u>504</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	1,535	1,154	309	493
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	83	(1,911)	184	61
	<u>1,618</u>	<u>(757)</u>	<u>493</u>	<u>554</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>1,618</u>	<u>(757)</u>	<u>493</u>	<u>554</u>
Net increase (decrease) in net assets resulting from operations	<u>\$4,634</u>	<u>\$ 3,094</u>	<u>\$848</u>	<u>\$1,058</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix Floating Rate High Income Fund		Seix Georgia Tax-Exempt Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 3,432	\$ 1,103	\$ 18	\$ —
Interest	<u>224,286</u>	<u>256,394</u>	<u>2,387</u>	<u>3,593</u>
Total Investment Income	<u>227,718</u>	<u>257,497</u>	<u>2,405</u>	<u>3,593</u>
Expenses				
Investment advisory fees	18,829	19,502	344	543
Distribution and service fees, Class A	245	444	3	5
Distribution and service fees, Class C	412	554	—	—
Administration Fees	3,465	470	51	11
Transfer agent fees and expenses	2,120	1,756	24	19
Sub-transfer agent fees, Class A	114	178	1	—
Sub-transfer agent fees, Class C	11	—	—	—
Sub-transfer agent fees, Class I	3,963	3,553	67	109
Sub-Administration fees	170	565	2	14
Custodian fees	788	769	6	6
Printing fees and expenses	438	346	5	4
Professional fees	74	257	29	5
Registration fees	68	66	19	14
Trustees' fees and expenses	315	268	5	6
Miscellaneous expenses	<u>453</u>	<u>633</u>	<u>7</u>	<u>21</u>
Total Expenses	31,465	29,361	563	757
Less expenses reimbursed, waived and/or recouped by investment adviser	(2,993)	—	(112)	(47)
Distribution fees reimbursed (Note 13)	<u>(33)</u>	<u>—</u>	<u>(—)⁽²⁾</u>	<u>—</u>
Net expenses	<u>28,439</u>	<u>29,361</u>	<u>451</u>	<u>710</u>
Net Investment income (loss)	<u>199,279</u>	<u>228,136</u>	<u>1,954</u>	<u>2,883</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	(6,481)	(77,681)	484	1,101
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	<u>(29,350)</u>	<u>292,074</u>	<u>837</u>	<u>(4,502)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>(35,831)</u>	<u>214,393</u>	<u>1,321</u>	<u>(3,401)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$163,448</u>	<u>\$442,529</u>	<u>\$3,275</u>	<u>\$ (518)</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix High Grade Municipal Bond Fund		Seix High Income Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 53	\$ —	\$ 221	\$ 384
Interest	2,007	2,951	24,781	40,666
Security lending, net of fees	—	—	186	382
	<u>2,060</u>	<u>2,951</u>	<u>25,188</u>	<u>41,432</u>
Expenses				
Investment advisory fees	322	531	2,054	3,252
Distribution and service fees, Class A	12	21	78	155
Distribution and service fees, Class R	—	—	51	75
Administration Fees	48	11	277	59
Transfer agent fees and expenses	26	31	137	131
Sub-transfer agent fees, Class A	3	3	41	48
Sub-transfer agent fees, Class I	47	74	491	846
Sub-transfer agent fees, Class R	—	—	8	12
Sub-Administration fees	2	13	13	73
Custodian fees	6	8	16	20
Printing fees and expenses	6	6	38	77
Professional fees	28	5	33	31
Registration fees	22	33	44	62
Trustees' fees and expenses	4	6	26	34
Miscellaneous expenses	7	20	42	83
	<u>533</u>	<u>762</u>	<u>3,349</u>	<u>4,958</u>
Less expenses reimbursed, waived and/or recouped by investment adviser	(100)	(49)	(222)	(20)
Distribution fees reimbursed (Note 13)	(1)	—	(8)	—
	<u>432</u>	<u>713</u>	<u>3,119</u>	<u>4,938</u>
Net Investment income (loss)	<u>1,628</u>	<u>2,238</u>	<u>22,069</u>	<u>36,494</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	1,566	953	6,622	(7,973)
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	377	(3,082)	(1,602)	59,807
	<u>1,943</u>	<u>(2,129)</u>	<u>5,020</u>	<u>51,834</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>1,943</u>	<u>(2,129)</u>	<u>5,020</u>	<u>51,834</u>
Net increase (decrease) in net assets resulting from operations	<u>\$3,571</u>	<u>\$ 109</u>	<u>\$27,089</u>	<u>\$88,328</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix High Yield Fund		Seix Investment Grade Tax-Exempt Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 99	\$ —	\$ 186	\$ —
Interest	22,124	34,574	12,814	18,338
Security lending, net of fees	66	217	—	—
	<u>22,289</u>	<u>34,791</u>	<u>13,000</u>	<u>18,338</u>
Expenses				
Investment advisory fees	1,662	2,476	1,980	3,074
Distribution and service fees, Class A	9	14	30	68
Distribution and service fees, Class R	—	1	—	—
Administration Fees	272	55	296	61
Transfer agent fees and expenses	126	126	148	145
Sub-transfer agent fees, Class A	3	2	7	9
Sub-transfer agent fees, Class I	393	552	401	712
Sub-Administration fees	13	67	14	78
Custodian fees	15	15	9	14
Printing fees and expenses	32	36	29	29
Professional fees	36	28	32	30
Registration fees	47	60	24	35
Trustees' fees and expenses	26	32	27	37
Miscellaneous expenses	41	78	37	81
	<u>2,675</u>	<u>3,542</u>	<u>3,034</u>	<u>4,373</u>
Less expenses reimbursed, waived and/or recouped by investment adviser	(304)	—	(426)	(291)
Distribution fees reimbursed (Note 13)	(1)	—	(3)	—
	<u>2,370</u>	<u>3,542</u>	<u>2,605</u>	<u>4,082</u>
Net investment income (loss)	<u>19,919</u>	<u>31,249</u>	<u>10,395</u>	<u>14,256</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	4,533	(428)	9,320	925
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	(1,589)	37,924	(4,953)	(18,455)
Net Realized and Unrealized Gain (Loss) on Investments	<u>2,944</u>	<u>37,496</u>	<u>4,367</u>	<u>(17,530)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$22,863</u>	<u>\$68,745</u>	<u>\$14,762</u>	<u>\$ (3,274)</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix Limited Duration Fund		Seix North Carolina Tax-Exempt Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 1	\$—	\$ 11	\$ 2
Interest	<u>80</u>	<u>68</u>	<u>537</u>	<u>834</u>
Total Investment Income	<u>81</u>	<u>68</u>	<u>548</u>	<u>836</u>
Expenses				
Investment advisory fees	5	7	86	146
Distribution and service fees, Class A	—	—	2	3
Administration Fees	4	1	13	3
Transfer agent fees and expenses	2	1	7	10
Sub-transfer agent fees, Class I	—	—	16	21
Sub-Administration fees	—	1	1	4
Custodian fees	4	5	4	5
Printing fees and expenses	3	1	2	1
Professional fees	28	6	29	1
Registration fees	6	8	18	12
Trustees' fees and expenses	—	—	1	2
Miscellaneous expenses	<u>2</u>	<u>—</u>	<u>3</u>	<u>11</u>
Total Expenses	54	30	182	219
Less expenses reimbursed, waived and/or recouped by investment adviser	(35)	(8)	(66)	(26)
Distribution fees reimbursed (Note 13)	—	—	(—) ⁽²⁾	—
Net expenses	<u>19</u>	<u>22</u>	<u>116</u>	<u>193</u>
Net Investment income (loss)	<u>62</u>	<u>46</u>	<u>432</u>	<u>643</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	8	8	338	325
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	<u>(1)</u>	<u>2</u>	<u>16</u>	<u>(1,112)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>7</u>	<u>10</u>	<u>354</u>	<u>(787)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 69</u>	<u>\$56</u>	<u>\$786</u>	<u>\$ (144)</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix Short-Term Bond Fund		Seix Short-Term Municipal Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 3	\$ —	\$ 18	\$ —
Interest	406	738	317	413
Total Investment Income	409	738	335	413
Expenses				
Investment advisory fees	98	215	87	118
Distribution and service fees, Class A	3	4	2	6
Distribution and service fees, Class C	9	16	—	—
Administration Fees	16	5	19	3
Transfer agent fees and expenses	8	9	12	13
Sub-transfer agent fees, Class A	1	1	1	1
Sub-transfer agent fees, Class I	30	59	17	28
Sub-Administration fees	—	7	1	4
Custodian fees	6	6	5	7
Printing fees and expenses	2	3	3	—
Professional fees	29	3	28	2
Registration fees	33	42	23	31
Trustees' fees and expenses	2	3	2	2
Miscellaneous expenses	3	14	2	12
Total Expenses	240	387	202	227
Less expenses reimbursed, waived and/or recouped by investment adviser	(78)	(48)	(80)	(57)
Distribution fees reimbursed (Note 13)	(3)	—	(—) ⁽²⁾	—
Net expenses	159	339	122	170
Net Investment income (loss)	250	399	213	243
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	28	(33)	33	32
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	(44)	(244)	(105)	(149)
Net Realized and Unrealized Gain (Loss) on Investments	(16)	(277)	(72)	(117)
Net increase (decrease) in net assets resulting from operations	\$234	\$ 122	\$ 141	\$ 126

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix Total Return Bond Fund		Seix U.S. Government Securities Ultra-Short Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 144	\$ —	\$ 232	\$ —
Interest	18,376	25,481	16,501	17,078
Security lending, net of fees	9	299	—	—
Foreign taxes withheld	<u>(—)⁽²⁾</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Investment Income	<u>18,529</u>	<u>25,780</u>	<u>16,733</u>	<u>17,078</u>
Expenses				
Investment advisory fees	1,724	2,444	2,013	2,859
Distribution and service fees, Class A	40	78	—	—
Distribution and service fees, Class R	137	232	—	—
Administration Fees	524	100	788	149
Transfer agent fees and expenses	217	89	344	180
Sub-transfer agent fees, Class A	34	41	—	—
Sub-transfer agent fees, Class I	775	1,205	1,369	2,352
Sub-transfer agent fees, Class R	29	115	—	—
Sub-Administration fees	25	125	39	182
Custodian fees	23	34	8	18
Printing fees and expenses	59	81	98	113
Professional fees	36	50	38	76
Registration fees	42	56	34	35
Trustees' fees and expenses	49	59	72	87
Miscellaneous expenses	<u>73</u>	<u>134</u>	<u>99</u>	<u>192</u>
Total Expenses	3,787	4,843	4,902	6,243
Less expenses reimbursed, waived and/or recouped by investment adviser	(454)	—	(596)	—
Distribution fees reimbursed (Note 13)	<u>(8)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net expenses	<u>3,325</u>	<u>4,843</u>	<u>4,306</u>	<u>6,243</u>
Net Investment income (loss)	<u>15,204</u>	<u>20,937</u>	<u>12,427</u>	<u>10,835</u>
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	7,413	4,586	1,087	9,087
Foreign Currency Translations	(1,938)	853	—	—
Forward Currency Transactions	(420)	—	—	—
Futures	—	—	104	1,243
Swaps	<u>(1,733)</u>	<u>(6,197)</u>	<u>—</u>	<u>—</u>
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	(895)	(5,666)	(1,420)	(6,947)
Foreign Currency Translations	(33)	—	—	—
Forward Currency Transactions	17	53	—	—
Futures	—	—	227	(43)
Swaps	<u>(2,679)</u>	<u>13</u>	<u>—</u>	<u>—</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>(268)</u>	<u>(6,358)</u>	<u>(2)</u>	<u>3,340</u>
Net increase (decrease) in net assets resulting from operations	<u>\$14,936</u>	<u>\$14,579</u>	<u>\$12,425</u>	<u>\$14,175</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix U.S. Mortgage Fund		Seix Ultra-Short Bond Fund	
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017
Investment Income				
Dividends	\$ 5	\$ —	\$ 14	\$ —
Interest	420	454	935	1,483
Total Investment Income	425	454	949	1,483
Expenses				
Investment advisory fees	76	134	112	224
Distribution and service fees, Class A	5	13	—	—
Distribution and service fees, Class C	29	49	—	—
Administration Fees	14	3	38	10
Transfer agent fees and expenses	12	23	23	38
Sub-transfer agent fees, Class A	11	5	—	—
Sub-transfer agent fees, Class C	2	—	—	—
Sub-transfer agent fees, Class I	20	34	48	60
Sub-Administration fees	1	4	2	13
Custodian fees	7	9	8	11
Printing fees and expenses	3	3	3	7
Professional fees	29	2	29	5
Registration fees	30	43	16	21
Trustees' fees and expenses	1	2	4	6
Miscellaneous expenses	3	14	6	17
Total Expenses	243	338	289	412
Less expenses reimbursed, waived and/or recouped by investment adviser	(70)	(43)	(74)	—
Distribution fees reimbursed (Note 13)	(8)	—	—	—
Net expenses	165	295	215	412
Net Investment income (loss)	260	159	734	1,071
Net Realized and Unrealized Gain (Loss) on Investments				
Net Realized Gain (Loss) from:				
Investments	46	390	125	282
Futures	—	—	35	95
Net Change in Unrealized Appreciation (Depreciation) on:				
Investments	62	(560)	(98)	(9)
Futures	—	—	34	(5)
Net Realized and Unrealized Gain (Loss) on Investments	108	(170)	96	363
Net increase (decrease) in net assets resulting from operations	\$368	\$ (11)	\$830	\$1,434

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF OPERATIONS (Continued)
YEAR ENDED DECEMBER 31, 2017

(\$ reported in thousands)

	Seix Virginia Intermediate Municipal Bond Fund	
	Fiscal Period Ended December 31, 2017⁽¹⁾	Year Ended March 31, 2017
Investment Income		
Dividends	\$ 13	\$ 2
Interest	<u>1,057</u>	<u>1,957</u>
Total Investment Income	<u>1,070</u>	<u>1,959</u>
Expenses		
Investment advisory fees	175	320
Distribution and service fees, Class A	4	6
Administration Fees	26	6
Transfer agent fees and expenses	14	16
Sub-transfer agent fees, Class A	2	1
Sub-transfer agent fees, Class I	28	48
Sub-Administration fees	1	8
Custodian fees	5	6
Printing fees and expenses	3	3
Professional fees	29	3
Registration fees	20	18
Trustees' fees and expenses	2	4
Miscellaneous expenses	<u>4</u>	<u>15</u>
Total Expenses	313	454
Less expenses reimbursed, waived and/or recouped by investment adviser	(81)	(33)
Distribution fees reimbursed (Note 13)	<u>(—)⁽²⁾</u>	<u>—</u>
Net expenses	<u>232</u>	<u>421</u>
Net Investment income (loss)	<u>838</u>	<u>1,538</u>
Net Realized and Unrealized Gain (Loss) on Investments		
Net Realized Gain (Loss) from:		
Investments	822	438
Net Change in Unrealized Appreciation (Depreciation) on:		
Investments	<u>(277)</u>	<u>(2,099)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>545</u>	<u>(1,661)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$1,383</u>	<u>\$ (123)</u>

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST

STATEMENTS OF CHANGES IN NET ASSETS

(\$ reported in thousands)

	Seix Core Bond Fund			Seix Corporate Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 3,016	\$ 3,851	\$ 4,559	\$ 355	\$ 504	\$ 558
Net realized gain (loss)	1,535	1,154	2,205	309	493	(323)
Net change in unrealized appreciation (depreciation)	83	(1,911)	(2,686)	184	61	(720)
	4,634	3,094	4,078	848	1,058	(485)
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(116)	(179)	(166)	(9)	(15)	(15)
Class C	—	—	—	(89)	(162)	(160)
Class I	(2,512)	(4,357)	(4,785)	(210)	(327)	(355)
Class R	(30)	(50)	(54)	—	—	—
Class R6*	(35)	(19)	—	—	—	—
Net Realized Gains						
Class A	—	(195)	(65)	(7)	(5)	(11)
Class C	—	—	—	(123)	(70)	(194)
Class I	—	(4,195)	(1,673)	(162)	(91)	(208)
Class R	—	(64)	(28)	—	—	—
Class R6*	—	(23)	—	—	—	—
Tax Return on Capital						
Class A	(28)	—	—	—	—	(1)
Class C	—	—	—	—	—	(10)
Class I	(554)	—	—	—	—	(15)
Class R	(9)	—	—	—	—	—
Class R6	(7)	—	—	—	—	—
Total Dividends and Distributions	(3,291)	(9,082)	(6,771)	(600)	(670)	(969)
Change in Net Assets from Capital transactions						
Class A	(1,992)	477	2,845	(237)	94	(270)
Class C	—	—	—	(924)	(917)	(685)
Class I	(14,856)	(50,330)	66,169	(4,434)	3,497	(14,312)
Class R	11	(232)	14	—	—	—
Class R6*	1,927	1,371	22	—	—	—
Increase (decrease) in net assets from share transactions	(14,910)	(48,714)	69,050	(5,595)	2,674	(15,267)
Net increase (decrease) in net assets	(13,567)	(54,702)	66,357	(5,347)	3,062	(16,721)
Net Assets						
Beginning of period	214,461	269,163	202,806	20,610	17,548	34,269
End of Period	\$200,894	\$214,461	\$269,163	\$15,263	\$20,610	\$ 17,548
Accumulated undistributed net investment income (loss) at end of period.	\$ (6)	\$ (329)	\$ (329)	\$ (1)	\$ (40)	\$ (40)

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix Floating Rate High Income Fund			Seix Georgia Tax-Exempt Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 199,279	\$ 228,136	\$ 270,642	\$ 1,954	\$ 2,883	\$ 3,197
Net realized gain (loss)	(6,481)	(77,681)	(165,631)	484	1,101	1,670
Net change in unrealized appreciation (depreciation)	(29,350)	292,074	(230,917)	837	(4,502)	(737)
Increase (decrease) in net assets resulting from operations.....	<u>163,448</u>	<u>442,529</u>	<u>(125,906)</u>	<u>3,275</u>	<u>(518)</u>	<u>4,130</u>
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(3,895)	(6,541)	(6,595)	(65)	(92)	(86)
Class C	(1,399)	(2,132)	(2,273)	—	—	—
Class I	(147,478)	(158,634)	(206,044)	(1,889)	(2,790)	(3,111)
Class R6*	(46,287)	(56,471)	(52,282)	—	—	—
Net Realized Gains						
Class A	—	—	—	(17)	(48)	—
Class I	—	—	—	(469)	(1,369)	—
Total Dividends and Distributions	<u>(199,059)</u>	<u>(223,778)</u>	<u>(267,194)</u>	<u>(2,440)</u>	<u>(4,299)</u>	<u>(3,197)</u>
Change in Net Assets from Capital transactions						
Class A	(21,471)	(14,713)	5,102	(524)	44	(45)
Class C	(5,113)	(953)	(5,418)	—	—	—
Class I	114,302	1,265,091	(2,717,615)	(6,488)	(11,252)	(25,094)
Class R6*	(22,358)	124,773	1,204,366	—	—	—
Increase (decrease) in net assets from share transactions	65,360	1,374,198	(1,513,565)	(7,012)	(11,208)	(25,139)
Net increase (decrease) in net assets.....	29,749	1,592,949	(1,906,665)	(6,177)	(16,025)	(24,206)
Net Assets						
Beginning of period	5,959,690	4,366,741	6,273,406	95,287	111,312	135,518
End of Period.....	<u>\$5,989,439</u>	<u>\$5,959,690</u>	<u>\$ 4,366,741</u>	<u>\$89,110</u>	<u>\$ 95,287</u>	<u>\$111,312</u>
Accumulated undistributed net investment income (loss) at end of period	\$ 1,377	\$ 1,483	\$ 4,096	\$ 191	\$ 191	\$ 190

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix High Grade Municipal Bond Fund			Seix High Income Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 1,628	\$ 2,238	\$ 2,518	\$ 22,069	\$ 36,494	\$ 47,032
Net realized gain (loss)	1,566	953	1,682	6,622	(7,973)	(58,074)
Net change in unrealized appreciation (depreciation)	377	(3,082)	197	(1,602)	59,807	(38,220)
	<u>3,571</u>	<u>109</u>	<u>4,397</u>	<u>27,089</u>	<u>88,328</u>	<u>(49,262)</u>
Increase (decrease) in net assets resulting from operations.....						
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(192)	(273)	(301)	(1,751)	(3,042)	(3,359)
Class I	(1,431)	(1,965)	(2,217)	(19,341)	(31,378)	(42,544)
Class R	—	—	—	(557)	(852)	(1,038)
Class R6*	—	—	—	(233)	(998)	(286)
Net Realized Gains						
Class A	(9)	(480)	(140)	—	—	—
Class I	(87)	(3,129)	(991)	—	—	—
Tax Return on Capital						
Class A	—	—	—	(15)	—	—
Class I	—	—	—	(165)	—	—
Class R	—	—	—	(5)	—	—
Class R6	—	—	—	(2)	—	—
	<u>(1,719)</u>	<u>(5,847)</u>	<u>(3,649)</u>	<u>(22,069)</u>	<u>(36,270)</u>	<u>(47,227)</u>
Total Dividends and Distributions						
Change in Net Assets from Capital transactions						
Class A	(4,341)	(951)	(2,557)	(33,956)	15,620	(14,775)
Class I	(4,657)	(16,105)	3,349	(70,658)	(135,559)	(120,464)
Class R	—	—	—	(2,673)	(1,159)	(4,169)
Class R6*	—	—	—	1,727	1,977	(1,500)
	<u>(8,998)</u>	<u>(17,056)</u>	<u>792</u>	<u>(105,560)</u>	<u>(119,121)</u>	<u>(140,908)</u>
Increase (decrease) in net assets from share transactions						
Net increase (decrease) in net assets.....	(7,146)	(22,794)	1,540	(100,540)	(67,063)	(237,397)
Net Assets						
Beginning of period	91,005	113,799	112,259	538,855	605,918	843,315
End of Period.....	<u>\$83,859</u>	<u>\$ 91,005</u>	<u>\$113,799</u>	<u>\$ 438,315</u>	<u>\$ 538,855</u>	<u>\$ 605,918</u>
Accumulated undistributed net investment income (loss) at end of period						
	\$ (2)	\$ (7)	\$ (7)	\$ (235)	\$ (413)	\$ (411)

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix High Yield Fund			Seix Investment Grade Tax-Exempt Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 19,919	\$ 31,249	\$ 36,691	\$ 10,395	\$ 14,256	\$ 15,144
Net realized gain (loss)	4,533	(428)	(43,330)	9,320	925	5,970
Net change in unrealized appreciation (depreciation)	(1,589)	37,924	(32,061)	(4,953)	(18,455)	(2,477)
Increase (decrease) in net assets resulting from operations.....	<u>22,863</u>	<u>68,745</u>	<u>(38,700)</u>	<u>14,762</u>	<u>(3,274)</u>	<u>18,637</u>
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(165)	(303)	(433)	(285)	(488)	(592)
Class I	(16,760)	(29,771)	(36,916)	(9,894)	(13,769)	(14,552)
Class R	(4)	(15)	(34)	—	—	—
Class R6*	(1,714)	(961)	—	—	—	—
Net Realized Gains						
Class A	—	—	—	(6)	(492)	(294)
Class I	—	—	—	(212)	(12,950)	(7,130)
Tax Return on Capital						
Class A	(12)	—	—	—	—	—
Class I	(1,158)	—	—	—	—	—
Class R	(—) ⁽²⁾	—	—	—	—	—
Class R6	(116)	—	—	—	—	—
Total Dividends and Distributions	<u>(19,929)</u>	<u>(31,050)</u>	<u>(37,383)</u>	<u>(10,397)</u>	<u>(27,699)</u>	<u>(22,568)</u>
Change in Net Assets from Capital transactions						
Class A	(1,432)	(1,687)	249	(9,409)	(3,515)	(4,395)
Class I	(82,553)	(76,498)	(96,736)	(59,987)	(79,743)	(24,669)
Class R	(12)	(470)	(141)	—	—	—
Class R6*	2,106	41,837	—	—	—	—
Increase (decrease) in net assets from share transactions	(81,891)	(36,818)	(96,628)	(69,396)	(83,258)	(29,064)
Net increase (decrease) in net assets.....	(78,957)	877	(172,711)	(65,031)	(114,231)	(32,995)
Net Assets						
Beginning of period	<u>532,119</u>	<u>531,242</u>	<u>703,953</u>	<u>540,065</u>	<u>654,296</u>	<u>687,291</u>
End of Period.....	<u>\$453,162</u>	<u>\$532,119</u>	<u>\$ 531,242</u>	<u>\$475,034</u>	<u>\$ 540,065</u>	<u>\$654,296</u>
Accumulated undistributed net investment income (loss) at end of period	\$ (12)	\$ (1,080)	\$ (1,279)	\$ (13)	\$ (229)	\$ (228)

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix Limited Duration Fund			Seix North Carolina Tax-Exempt Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 62	\$ 46	\$ 20	\$ 432	\$ 644	\$ 770
Net realized gain (loss)	8	8	(1)	338	325	556
Net change in unrealized appreciation (depreciation)	(1)	2	(3)	16	(1,112)	(369)
	<u>69</u>	<u>56</u>	<u>16</u>	<u>786</u>	<u>(144)</u>	<u>957</u>
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	—	—	—	(32)	(41)	(13)
Class I	(62)	(44)	(17)	(354)	(603)	(757)
Net Realized Gains						
Class A	—	—	—	(12)	(56)	(3)
Class I	—	—	—	(158)	(601)	(160)
Total Dividends and Distributions	<u>(62)</u>	<u>(44)</u>	<u>(17)</u>	<u>(556)</u>	<u>(1,301)</u>	<u>(933)</u>
Change in Net Assets from Capital transactions						
Class A	—	—	—	(758)	1,839	(301)
Class I	121	—	—	(1,128)	(5,479)	(8,640)
Increase (decrease) in net assets from share transactions	121	—	—	(1,886)	(3,640)	(8,941)
Net increase (decrease) in net assets	128	12	(1)	(1,656)	(5,085)	(8,917)
Net Assets						
Beginning of period	<u>6,661</u>	<u>6,649</u>	<u>6,650</u>	<u>23,983</u>	<u>29,068</u>	<u>37,985</u>
End of Period	<u>\$6,789</u>	<u>\$6,661</u>	<u>\$6,649</u>	<u>\$22,327</u>	<u>\$23,983</u>	<u>\$29,068</u>
Accumulated undistributed net investment income (loss) at end of period.	\$ — ⁽²⁾	\$ (1)	\$ (1)	\$ (1)	\$ (47)	\$ (57)

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Amount is less than \$500.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix Short-Term Bond Fund			Seix Short-Term Municipal Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 250	\$ 399	\$ 298	\$ 213	\$ 243	\$ 166
Net realized gain (loss)	28	(33)	39	33	32	—
Net change in unrealized appreciation (depreciation)	(44)	(244)	41	(105)	(149)	20
	<u>234</u>	<u>122</u>	<u>378</u>	<u>141</u>	<u>126</u>	<u>186</u>
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(16)	(13)	(11)	(10)	(23)	(13)
Class C	(2)	(1)	—	—	—	—
Class I	(230)	(418)	(340)	(203)	(221)	(153)
Net Realized Gains						
Class A	—	—	—	(1)	(2)	(13)
Class I	—	—	—	(19)	(39)	(72)
Tax Return on Capital						
Class A	(2)	—	—	—	—	—
Class C	(1)	—	—	—	—	—
Class I	(21)	—	—	—	—	—
Total Dividends and Distributions	<u>(272)</u>	<u>(432)</u>	<u>(351)</u>	<u>(233)</u>	<u>(285)</u>	<u>(251)</u>
Change in Net Assets from Capital transactions						
Class A	(87)	215	(213)	(41)	(5,514)	3,495
Class C	(47)	(422)	11	—	—	—
Class I	(44,085)	2,565	(966)	4,667	(5,346)	(6,424)
Increase (decrease) in net assets from share transactions	(44,219)	2,358	(1,168)	4,626	(10,860)	(2,929)
Net increase (decrease) in net assets	(44,257)	2,048	(1,141)	4,534	(11,019)	(2,994)
Net Assets						
Beginning of period	<u>55,642</u>	<u>53,594</u>	<u>54,735</u>	<u>28,520</u>	<u>39,539</u>	<u>42,533</u>
End of Period	<u>\$ 11,385</u>	<u>\$55,642</u>	<u>\$53,594</u>	<u>\$33,054</u>	<u>\$ 28,520</u>	<u>\$39,539</u>
Accumulated undistributed net investment income (loss) at end of period.	\$ (1)	\$ (3)	\$ (2)	\$ (2)	\$ (2)	\$ (1)

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST

STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix Total Return Bond Fund			Seix U.S. Government Securities Ultra-Short Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 15,204	\$ 20,937	\$ 20,356	\$ 12,427	\$ 10,835	\$ 9,110
Net realized gain (loss)	3,322	(758)	7,592	1,191	10,330	(566)
Net change in unrealized appreciation (depreciation)	(3,590)	(5,600)	(14,342)	(1,193)	(6,990)	(10,068)
Increase (decrease) in net assets resulting from operations.....	14,936	14,579	13,606	12,425	14,175	(1,524)
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(186)	(603)	(636)	—	—	—
Class I	(7,704)	(18,605)	(19,336)	(11,911)	(14,555)	(12,422)
Class R	(229)	(723)	(770)	—	—	—
Class R6 ⁺	(1,379)	(1,826)	(1,476)	(549)	(71)	—
Net Realized Gains						
Class A	—	(429)	(35)	—	—	—
Class I	—	(12,509)	(1,023)	—	—	—
Class R	—	(705)	(56)	—	—	—
Class R6 ⁺	—	(1,679)	(72)	—	—	—
Tax Return on Capital						
Class A	(110)	—	—	—	—	—
Class I	(3,981)	—	—	(1,767)	—	—
Class R	(192)	—	—	—	—	—
Class R6	(641)	—	—	(72)	—	—
Total Dividends and Distributions	(14,422)	(37,079)	(23,404)	(14,299)	(14,626)	(12,422)
Change in Net Assets from Capital transactions						
Class A	(14,204)	(4,496)	(10,551)	—	—	—
Class I	(110,797)	(161,714)	7,045	(22,393)	(190,202)	(94,043)
Class R	(7,615)	(9,843)	(13,498)	—	—	—
Class R6 ⁺	44,550	47,337	(14,714)	10,482	32,653	—
Increase (decrease) in net assets from share transactions	(88,066)	(128,716)	(31,718)	(11,911)	(157,549)	(94,043)
Net increase (decrease) in net assets.....	(87,552)	(151,216)	(41,516)	(13,785)	(158,000)	(107,989)
Net Assets						
Beginning of period	958,844	1,110,060	1,151,576	1,399,899	1,557,899	1,665,888
End of Period.....	\$ 871,292	\$ 958,844	\$1,110,060	\$1,386,114	\$1,399,899	\$1,557,899
Accumulated undistributed net investment income (loss) at end of period.....	\$ 2,090	\$ (1,594)	\$ (2,006)	\$ (36)	\$ (3)	\$ (2)

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	Seix U.S. Mortgage Fund			Seix Ultra-Short Bond Fund		
	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016	Fiscal Period Ended December 31, 2017 ⁽¹⁾	Year Ended March 31, 2017	Year Ended March 31, 2016
Increase (decrease) in Net Assets resulting from Operations						
Net investment income (loss)	\$ 260	\$ 159	\$ 215	\$ 734	\$ 1,071	\$ 871
Net realized gain (loss)	46	390	255	160	377	(241)
Net change in unrealized appreciation (depreciation)	62	(560)	182	(64)	(14)	(225)
	<u>368</u>	<u>(11)</u>	<u>652</u>	<u>830</u>	<u>1,434</u>	<u>405</u>
Dividends and Distributions to Shareholders						
Net Investment Income						
Class A	(30)	(100)	(89)	—	—	—
Class C	(15)	(41)	(40)	—	—	—
Class I	(200)	(391)	(292)	(740)	(1,126)	(925)
Net Realized Gains						
Class A	—	(24)	—	—	—	—
Class C	—	(15)	—	—	—	—
Class I	—	(63)	—	—	—	—
Tax Return on Capital						
Class A	(18)	—	—	—	—	—
Class C	(22)	—	—	—	—	—
Class I	(103)	—	—	—	—	—
Total Dividends and Distributions	<u>(388)</u>	<u>(634)</u>	<u>(421)</u>	<u>(740)</u>	<u>(1,126)</u>	<u>(925)</u>
Change in Net Assets from Capital transactions						
Class A	(1,036)	(2,814)	1,343	—	—	—
Class C	(577)	(1,087)	1,468	—	—	—
Class I	1,374	(7,046)	21,223	(27,886)	(17,914)	(37,210)
Increase (decrease) in net assets from share transactions	(239)	(10,947)	24,034	(27,886)	(17,914)	(37,210)
Net increase (decrease) in net assets	(259)	(11,592)	24,265	(27,796)	(17,606)	(37,730)
Net Assets						
Beginning of period	25,514	37,106	12,841	87,344	104,950	142,680
End of Period	<u>\$25,255</u>	<u>\$ 25,514</u>	<u>\$37,106</u>	<u>\$ 59,548</u>	<u>\$ 87,344</u>	<u>\$104,950</u>
Accumulated undistributed net investment income (loss) at end of period.	\$ (1)	\$ (16)	\$ (16)	\$ (2)	\$ (2)	\$ (2)

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

(\$ reported in thousands)

	<u>Seix Virginia Intermediate Municipal Bond Fund</u>		
	<u>Fiscal</u>	<u>Year Ended</u>	<u>Year Ended</u>
	<u>Period Ended</u>	<u>March 31,</u>	<u>March 31,</u>
	<u>December 31,</u>	<u>2017</u>	<u>2016</u>
	<u>2017⁽¹⁾</u>		
Increase (decrease) in Net Assets resulting from Operations			
Net investment income (loss)	\$ 838	\$ 1,538	\$ 2,408
Net realized gain (loss)	822	438	2,375
Net change in unrealized appreciation (depreciation)	<u>(277)</u>	<u>(2,099)</u>	<u>(1,984)</u>
Increase (decrease) in net assets resulting from operations	<u>1,383</u>	<u>(123)</u>	<u>2,799</u>
Dividends and Distributions to Shareholders			
Net Investment Income			
Class A	(63)	(94)	(108)
Class I	<u>(775)</u>	<u>(1,444)</u>	<u>(2,300)</u>
Net Realized Gains			
Class A	(45)	(110)	(116)
Class I	<u>(514)</u>	<u>(1,669)</u>	<u>(1,946)</u>
Total Dividends and Distributions	<u>(1,397)</u>	<u>(3,317)</u>	<u>(4,470)</u>
Change in Net Assets from Capital transactions			
Class A	(265)	(532)	(706)
Class I	<u>(8,336)</u>	<u>(15,453)</u>	<u>(52,860)</u>
Increase (decrease) in net assets from share transactions	(8,601)	(15,985)	(53,566)
Net increase (decrease) in net assets	(8,615)	(19,425)	(55,237)
Net Assets			
Beginning of period	<u>49,593</u>	<u>69,018</u>	<u>124,255</u>
End of Period	<u>\$40,978</u>	<u>\$ 49,593</u>	<u>\$ 69,018</u>
Accumulated undistributed net investment income (loss) at end of period	\$ 19	\$ 19	\$ 19

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
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⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix Core Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.56	0.14	0.08	0.22	(0.12)	(0.03)	—	(0.15)	0.07	10.63	2.12%	\$ 8,433	0.65% ⁽⁷⁾	0.79%	1.73%	130%
4/1/16 to 3/31/17	10.86	0.16	(0.06)	0.10	(0.19)	—	(0.21)	(0.40)	(0.30)	10.56	0.90 ⁽⁸⁾	10,363	0.64	0.64	1.45	210
4/1/15 to 3/31/16	11.04	0.18	(0.07)	0.11	(0.20)	—	(0.09)	(0.29)	(0.18)	10.86	1.01	10,170	0.65	0.65	1.65	232
4/1/14 to 3/31/15	10.65	0.18	0.41	0.59	(0.20)	—	—	(0.20)	0.39	11.04	5.58	7,411	0.67	0.67	1.70	168
4/1/13 to 3/31/14	11.16	0.15	(0.23)	(0.08)	(0.19)	—	(0.24)	(0.43)	(0.51)	10.65	(0.66)	9,848	0.71	0.71	1.38	208
4/1/12 to 3/31/13	11.10	0.11	0.24	0.35	(0.16)	—	(0.13)	(0.29)	0.06	11.16	3.20	20,687	0.70	0.69	1.02	151
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.57	0.15	0.07	0.22	(0.13)	(0.03)	—	(0.16)	0.06	10.63	2.13%	\$ 186,029	0.51% ⁽⁷⁾	0.58%	1.87%	130%
4/1/16 to 3/31/17	10.86	0.17	(0.04)	0.13	0.21	—	(0.21)	(0.42)	(0.29)	10.57	1.15	199,622	0.49	0.49	1.58	210
4/1/15 to 3/31/16	11.04	0.20	0.08	0.12	(0.21)	—	(0.09)	(0.30)	(0.18)	10.86	1.18	255,522	0.48	0.48	1.82	232
4/1/14 to 3/31/15	10.65	0.21	0.40	0.61	(0.22)	—	—	(0.22)	0.39	11.04	5.80	191,905	0.45	0.45	1.90	168
4/1/13 to 3/31/14	11.16	0.18	(0.23)	(0.05)	(0.22)	—	(0.24)	(0.46)	(0.51)	10.65	(0.38)	200,371	0.42	0.42	1.67	208
4/1/12 to 3/31/13	11.10	0.15	0.24	0.39	(0.20)	—	(0.13)	(0.33)	0.06	11.16	3.53	370,455	0.38	0.38	1.33	151
Class R																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.58	0.12	0.07	0.19	(0.10)	(0.03)	—	(0.13)	0.06	10.64	1.82%	\$ 3,153	0.92% ⁽⁷⁾	1.05%	1.45%	130%
4/1/16 to 3/31/17	10.87	0.13	(0.05)	0.08	(0.16)	—	(0.21)	(0.37)	(0.29)	10.58	0.73	3,124	0.91	0.91	1.18	210
4/1/15 to 3/31/16	11.05	0.15	(0.07)	0.08	(0.17)	—	(0.09)	(0.26)	(0.18)	10.87	0.78	3,448	0.88	0.88	1.41	232
4/1/14 to 3/31/15	10.66	0.16	0.41	0.57	(0.18)	—	—	(0.18)	0.39	11.05	5.37	3,490	0.85	0.85	1.51	168
4/1/13 to 3/31/14	11.17	0.14	(0.24)	(0.10)	(0.17)	—	(0.24)	(0.41)	(0.51)	10.66	(0.80)	4,115	0.85	0.85	1.29	208
4/1/12 to 3/31/13	11.10	0.10	0.24	0.34	(0.14)	—	(0.13)	(0.27)	0.07	11.17	3.15	5,135	0.84	0.84	0.87	151
Class R6[†]																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.57	0.16	0.08	0.24	(0.15)	(0.03)	—	(0.18)	0.06	10.63	2.24%	\$ 3,279	0.36%	0.46%	1.96%	130%
4/1/16 to 3/31/17	10.86	0.19	(0.05)	0.14	(0.22)	—	(0.21)	(0.43)	(0.29)	10.57	1.29	1,352	0.35	0.35	1.78	210
8/3/15 to 3/31/16 ⁽⁹⁾	10.77	0.14	0.13	0.27	(0.15)	—	(0.03)	(0.18)	0.09	10.86	2.51	22	0.34	0.34	2.00	232
Seix Corporate Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.69	0.18	0.21	0.39	(0.16)	—	(0.16)	(0.32)	0.07	8.76	4.53%	\$ 363	0.95%	1.34%	2.68%	80%
4/1/16 to 3/31/17	8.50	0.24	0.27	0.51	(0.24)	—	(0.08)	(0.32)	0.19	8.69	6.01	591	0.95	1.15	2.75	182
4/1/15 to 3/31/16	8.99	0.23	(0.29)	(0.06)	(0.22)	(0.01)	(0.20)	(0.43)	(0.49)	8.50	(0.52)	500	0.95	1.11	2.68	84
4/1/14 to 3/31/15	8.84	0.24	0.32	0.56	(0.24)	—	(0.17)	(0.41)	0.15	8.99	6.40	807	0.95	0.99	2.67	90
4/1/13 to 3/31/14	9.35	0.25	(0.21)	0.04	(0.26)	—	(0.29)	(0.55)	(0.51)	8.84	0.52	783	0.92	0.93	2.76	143
4/1/12 to 3/31/13	9.40	0.29	0.30	0.59	(0.29)	—	(0.35)	(0.64)	(0.05)	9.35	6.39	4,020	0.88	0.88	3.06	58
Class C																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.65	0.13	0.21	0.34	(0.11)	—	(0.16)	(0.27)	0.07	8.72	4.02%	\$ 6,518	1.62%	2.10%	2.02%	80%
4/1/16 to 3/31/17	8.46	0.18	0.27	0.45	(0.18)	—	(0.08)	(0.26)	0.19	8.65	5.29	7,369	1.65	1.82	2.03	182
4/1/15 to 3/31/16	8.95	0.17	(0.29)	(0.12)	(0.16)	(0.01)	(0.20)	(0.37)	(0.49)	8.46	(1.22)	8,105	1.65	1.80	2.01	84
4/1/14 to 3/31/15	8.80	0.18	0.32	0.50	(0.18)	—	(0.17)	(0.35)	0.15	8.95	5.69	9,289	1.64	1.67	1.97	90
4/1/13 to 3/31/14	9.30	0.19	(0.21)	(0.02)	(0.19)	—	(0.29)	(0.48)	(0.50)	8.80	(0.07)	10,385	1.62	1.63	2.18	143
4/1/12 to 3/31/13	9.35	0.23	0.30	0.53	(0.23)	—	(0.35)	(0.58)	(0.05)	9.30	5.67	15,558	1.57	1.58	2.39	58

The footnote legend is at the end of the financial highlights.

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VIRTUS ASSET TRUST
FINANCIAL HIGHLIGHTS
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THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix Corporate Bond Fund (Continued)																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.65	0.19	0.23	0.42	(0.18)	—	(0.16)	(0.34)	0.08	8.73	4.86%	\$ 8,382	0.70%	1.18%	2.93%	80%
4/1/16 to 3/31/17	8.46	0.26	0.27	0.53	(0.26)	—	(0.08)	(0.34)	0.19	8.65	6.29	12,651	0.70	0.93	2.99	182
4/1/15 to 3/31/16	8.95	0.25	(0.29)	(0.04)	(0.24)	(0.01)	(0.20)	(0.45)	(0.49)	8.46	(0.29)	8,943	0.70	0.83	2.86	84
4/1/14 to 3/31/15	8.80	0.26	0.32	0.58	(0.26)	—	(0.17)	(0.43)	0.15	8.95	6.73	24,172	0.66	0.69	2.95	90
4/1/13 to 3/31/14	9.30	0.28	(0.21)	0.07	(0.28)	—	(0.29)	(0.57)	(0.50)	8.80	0.91	28,017	0.63	0.64	3.18	143
4/1/12 to 3/31/13	9.35	0.32	0.30	0.62	(0.32)	—	(0.35)	(0.67)	(0.05)	9.30	6.71	51,828	0.60	0.61	3.36	58
Seix Floating Rate High Income Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.75	0.26	(0.05)	0.21	(0.26)	—	—	(0.26)	(0.05)	8.70	2.47%	\$ 113,611	0.92%	0.93%	4.00%	55%
4/1/16 to 3/31/17	8.33	0.39	0.41	0.80	(0.38)	—	—	(0.38)	0.42	8.75	9.78	135,833	0.94	0.94	4.51	79
4/1/15 to 3/31/16	8.86	0.38	(0.54)	(0.16)	(0.37)	—	—	(0.37)	(0.53)	8.33	(1.79)	143,325	0.92	0.92	4.42	33
4/1/14 to 3/31/15	9.06	0.36	(0.19)	0.17	(0.37)	—	—	(0.37)	(0.20)	8.86	1.88	147,560	0.91	0.91	4.06	29
4/1/13 to 3/31/14	9.06	0.35	(0.01)	0.34	(0.34)	—	—	(0.34)	—	9.06	3.86	212,336	0.89	0.89	3.82	47
4/1/12 to 3/31/13	8.83	0.43	0.21	0.64	(0.41)	—	—	(0.41)	0.23	9.06	7.39	99,040	0.85	0.85	4.85	70
Class C																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.76	0.22	(0.06)	0.16	(0.22)	—	—	(0.22)	(0.06)	8.70	1.89%	\$ 51,551	1.52%	1.60%	3.40%	55%
4/1/16 to 3/31/17	8.33	0.34	0.42	0.76	(0.33)	—	—	(0.33)	0.43	8.76	9.28	56,981	1.52	1.52	3.94	79
4/1/15 to 3/31/16	8.86	0.33	(0.54)	(0.21)	(0.32)	—	—	(0.32)	(0.53)	8.33	(2.37)	55,203	1.51	1.51	3.82	33
4/1/14 to 3/31/15	9.07	0.31	(0.21)	0.10	(0.31)	—	—	(0.31)	(0.21)	8.86	1.16	64,445	1.50	1.50	3.46	29
4/1/13 to 3/31/14	9.06	0.29	0.01	0.30	(0.29)	—	—	(0.29)	0.01	9.07	3.33	83,149	1.51	1.51	3.21	47
4/1/12 to 3/31/13	8.83	0.38	0.20	0.58	(0.35)	—	—	(0.35)	0.23	9.06	6.69	40,493	1.51	1.51	4.22	70
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.75	0.28	(0.05)	0.23	(0.28)	—	—	(0.28)	(0.05)	8.70	2.70%	\$4,546,547	0.62%	0.69%	4.29%	55%
4/1/16 to 3/31/17	8.33	0.41	0.42	0.83	(0.41)	—	—	(0.41)	0.42	8.75	10.13	4,459,175	0.63	0.63	4.80	79
4/1/15 to 3/31/16	8.86	0.40	(0.53)	(0.13)	(0.40)	—	—	(0.40)	(0.53)	8.33	(1.50)	3,040,875	0.62	0.62	4.69	33
4/1/14 to 3/31/15	9.06	0.39	(0.20)	0.19	(0.39)	—	—	(0.39)	(0.20)	8.86	2.17	6,048,771	0.61	0.61	4.34	29
4/1/13 to 3/31/14	9.06	0.38	(0.01)	0.37	(0.37)	—	—	(0.37)	—	9.06	4.16	8,965,312	0.60	0.60	4.13	47
4/1/12 to 3/31/13	8.83	0.46	0.20	0.66	(0.43)	—	—	(0.43)	0.23	9.06	7.67	5,780,847	0.60	0.60	5.13	70
Class R6*																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.76	0.29	(0.05)	0.24	(0.29)	—	—	(0.29)	(0.05)	8.71	2.78%	\$1,277,730	0.52%	0.59%	4.39%	55%
4/1/16 to 3/31/17	8.33	0.43	0.42	0.85	(0.42)	—	—	(0.42)	0.43	8.76	10.37	1,307,701	0.52	0.52	4.94	79
4/1/15 to 3/31/16	8.86	0.41	(0.53)	(0.12)	(0.41)	—	—	(0.41)	(0.53)	8.33	(1.39)	1,127,337	0.51	0.51	4.83	33
2/1/15 to 3/31/15 ⁽¹⁰⁾	8.74	0.07	0.12	0.19	(0.07)	—	—	(0.07)	0.12	8.86	2.15	12,629	0.47	0.47	5.08	29

The footnote legend is at the end of the financial highlights.

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VIRTUS ASSET TRUST
FINANCIAL HIGHLIGHTS
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THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix Georgia Tax-Exempt Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.49	0.22	0.16	0.38	(0.22)	—	(0.06)	(0.28)	0.10	10.59	3.62%	\$ 3,011	0.76% ⁽⁷⁾	0.92%	2.73%	23%
4/1/16 to 3/31/17	10.98	0.28	(0.35)	(0.07)	(0.28)	—	(0.14)	(0.42)	(0.49)	10.49	(0.66)	3,504	0.75	0.75	2.56	46
4/1/15 to 3/31/16	10.88	0.26	0.10	0.36	(0.26)	—	—	(0.26)	0.10	10.98	3.40	3,621	0.75	0.75	2.43	41
4/1/14 to 3/31/15	10.44	0.27	0.44	0.71	(0.27)	—	—	(0.27)	0.44	10.88	6.89	3,637	0.73	0.73	2.55	55
4/1/13 to 3/31/14	10.80	0.30	(0.36)	(0.06)	(0.30)	—	—	(0.30)	(0.36)	10.44	(0.52)	4,139	0.72	0.72	2.87	67
4/1/12 to 3/31/13	10.57	0.32	0.23	0.55	(0.32)	—	—	(0.32)	0.23	10.80	5.27	4,566	0.74	0.74	2.99	50
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.48	0.23	0.15	0.38	(0.23)	—	(0.06)	(0.29)	0.09	10.57	3.61%	\$ 86,099	0.65%	0.81%	2.84%	23%
4/1/16 to 3/31/17	10.96	0.29	(0.34)	(0.05)	(0.29)	—	(0.14)	(0.43)	(0.48)	10.48	(0.47)	91,782	0.65	0.70	2.66	46
4/1/15 to 3/31/16	10.86	0.27	0.10	0.37	(0.27)	—	—	(0.27)	0.10	10.96	3.50	107,691	0.65	0.68	2.52	41
4/1/14 to 3/31/15	10.42	0.28	0.44	0.72	(0.28)	—	—	(0.28)	0.44	10.86	7.00	131,881	0.64	0.64	2.63	55
4/1/13 to 3/31/14	10.78	0.31	(0.36)	(0.05)	(0.31)	—	—	(0.31)	(0.36)	10.42	(0.37)	120,835	0.57	0.57	3.01	67
4/1/12 to 3/31/13	10.55	0.34	0.23	0.57	(0.34)	—	—	(0.34)	0.23	10.78	5.44	148,153	0.59	0.59	3.15	50
Seix High Grade Municipal Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.69	0.21	0.27	0.48	(0.22)	—	(0.01)	(0.23)	0.25	11.94	4.12%	\$ 8,175	0.80%	0.91%	2.39%	173%
4/1/16 to 3/31/17	12.36	0.24	(0.22)	0.02	(0.24)	—	(0.45)	(0.69)	(0.67)	11.69	0.27	12,276	0.80	0.80	1.99	218
4/1/15 to 3/31/16	12.29	0.25	0.19	0.44	(0.25)	—	(0.12)	(0.37)	0.07	12.36	3.70	13,996	0.79	0.79	2.07	171
4/1/14 to 3/31/15	11.86	0.29	0.59	0.88	(0.29)	—	(0.16)	(0.45)	0.43	12.29	7.48	16,499	0.80	0.80	2.38	228
4/1/13 to 3/31/14	12.11	0.32	(0.20)	0.12	(0.32)	—	(0.05)	(0.37)	(0.25)	11.86	1.16	8,967	0.80	0.82	2.75	227
4/1/12 to 3/31/13	11.97	0.32	0.50	0.82	(0.32)	—	(0.36)	(0.68)	0.14	12.11	6.97	11,363	0.80	0.83	2.63	168
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.68	0.23	0.26	0.49	(0.23)	—	(0.01)	(0.24)	0.25	11.93	4.24%	\$ 75,684	0.65%	0.82%	2.55%	173%
4/1/16 to 3/31/17	12.36	0.26	(0.23)	0.03	(0.26)	—	(0.45)	(0.71)	(0.68)	11.68	0.33	78,729	0.65	0.71	2.12	218
4/1/15 to 3/31/16	12.29	0.27	0.19	0.46	(0.27)	—	(0.12)	(0.39)	0.07	12.36	3.85	99,803	0.65	0.69	2.21	171
4/1/14 to 3/31/15	11.86	0.31	0.59	0.90	(0.31)	—	(0.16)	(0.47)	0.43	12.29	7.64	95,761	0.65	0.69	2.53	228
4/1/13 to 3/31/14	12.10	0.34	(0.19)	0.15	(0.34)	—	(0.05)	(0.39)	(0.24)	11.86	1.40	47,737	0.65	0.68	2.90	227
4/1/12 to 3/31/13	11.96	0.34	0.50	0.84	(0.34)	—	(0.36)	(0.70)	0.14	12.10	7.12	54,892	0.65	0.68	2.78	168
Seix High Income Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 6.46	0.28	0.07	0.35	(0.28)	— ⁽¹¹⁾	—	(0.28)	0.07	6.53	5.52%	\$ 29,592	1.02%	1.10%	5.69%	45%
4/1/16 to 3/31/17	5.92	0.38	0.53	0.91	(0.37)	—	—	(0.37)	0.54	6.46	15.69	63,104	1.04	1.04	5.92	95
4/1/15 to 3/31/16	6.68	0.38	(0.75)	(0.37)	(0.39)	—	—	(0.39)	(0.76)	5.92	(5.68)	43,433	1.03	1.03	6.08	77
4/1/14 to 3/31/15	7.27	0.38	(0.38)	—	(0.38)	—	(0.21)	(0.59)	(0.59)	6.68	0.26	65,121	0.99	0.99	5.34	86
4/1/13 to 3/31/14	7.32	0.42	0.11	0.53	(0.42)	—	(0.16)	(0.58)	(0.05)	7.27	7.60 ⁽⁸⁾	157,360	0.97	0.97	5.82	110
4/1/12 to 3/31/13	6.90	0.43	0.42	0.85	(0.43)	—	—	(0.43)	0.42	7.32	12.72	119,006	0.99	0.99	6.09	118

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Seix High Income Fund (Continued)																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 6.46	0.29	0.06	0.35	(0.29)	— ⁽¹¹⁾	—	(0.29)	0.06	6.52	5.53%	\$ 390,665	0.81% ⁽⁷⁾	0.87%	5.93%	45%
4/1/16 to 3/31/17	5.92	0.39	0.54	0.93	(0.39)	—	—	(0.39)	0.54	6.46	15.95	456,928	0.80	0.81	6.15	95
4/1/15 to 3/31/16	6.67	0.40	(0.75)	(0.35)	(0.40)	—	—	(0.40)	(0.75)	5.92	(5.31)	546,793	0.79	0.79	6.34	77
4/1/14 to 3/31/15	7.26	0.40	(0.38)	0.02	(0.40)	—	(0.21)	(0.61)	(0.59)	6.67	0.47	753,851	0.77	0.77	5.63	86
4/1/13 to 3/31/14	7.32	0.43	0.11	0.54	(0.44)	—	(0.16)	(0.60)	(0.06)	7.26	7.68	783,072	0.77	0.77	6.00	110
4/1/12 to 3/31/13	6.89	0.45	0.43	0.88	(0.45)	—	—	(0.45)	0.43	7.32	13.17	784,870	0.74	0.75	6.33	118
Class R																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 6.46	0.27	0.07	0.34	(0.27)	— ⁽¹¹⁾	—	(0.27)	0.07	6.53	5.36%	\$ 12,160	1.23% ⁽⁷⁾	1.30%	5.49%	45%
4/1/16 to 3/31/17	5.92	0.360	0.54	0.90	(0.36)	—	—	(0.36)	0.54	6.46	15.47	14,699	1.22	1.22	5.73	95
4/1/15 to 3/31/16	6.68	0.37	(0.76)	(0.39)	(0.37)	—	—	(0.37)	(0.76)	5.92	(5.87)	14,574	1.23	1.23	5.92	77
4/1/14 to 3/31/15	7.27	0.37	(0.38)	(0.01)	(0.37)	—	(0.21)	(0.58)	(0.59)	6.68	0.05	20,887	1.21	1.21	5.20	86
4/1/13 to 3/31/14	7.32	0.40	0.12	0.52	(0.41)	—	(0.16)	(0.57)	(0.05)	7.27	7.37	22,317	1.20	1.20	5.57	110
4/1/12 to 3/31/13	6.89	0.41	0.43	0.84	(0.41)	—	—	(0.41)	0.43	7.32	12.61	23,956	1.23	1.23	5.85	118
Class R6*																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 6.45	0.30	0.07	0.37	(0.30)	— ⁽¹¹⁾	—	(0.30)	0.07	6.52	5.82%	\$ 5,898	0.64%	0.73%	6.09%	45%
4/1/16 to 3/31/17	5.92	0.40	0.53	0.93	(0.40)	—	—	(0.40)	0.53	6.45	15.96	4,125	0.64	0.64	6.26	95
4/1/15 to 3/31/16	6.68	0.40	(0.75)	(0.35)	(0.41)	—	—	(0.41)	(0.76)	5.92	(5.30)	1,117	0.63	0.63	6.27	77
8/1/14 to 3/31/15 ⁽¹²⁾	7.22	0.28	(0.33)	(0.05)	(0.28)	—	(0.21)	(0.49)	(0.54)	6.68	(0.51)	3,455	0.63	0.63	5.99	86
Seix High Yield Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.16	0.34	0.03	0.37	(0.30)	(0.02)	—	(0.32)	0.05	8.21	4.63%	\$ 4,810	0.83% ⁽⁷⁾	0.97%	5.43%	41%
4/1/16 to 3/31/17	7.61	0.44	0.55	0.99	(0.44)	—	—	(0.44)	0.55	8.16	13.20	6,214	0.82	0.82	5.51	87
4/1/15 to 3/31/16	8.51	0.44	(0.89)	(0.45)	(0.45)	—	—	(0.45)	(0.90)	7.61	(5.36)	7,463	0.84	0.84	5.48	76
4/1/14 to 3/31/15	9.72	0.51	(0.43)	0.08	(0.50)	—	(0.79)	(1.29)	(1.21)	8.51	1.24	8,110	0.87	0.87	5.31	72
4/1/13 to 3/31/14	10.03	0.55	0.05	0.60	(0.55)	—	(0.36)	(0.91)	(0.31)	9.72	6.39	69,921	0.81	0.81	5.57	89
4/1/12 to 3/31/13	9.47	0.59	0.56	1.15	(0.59)	—	—	(0.59)	0.56	10.03	12.56	72,703	0.79	0.79	6.09	79
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.37	0.34	0.04	0.38	(0.32)	(0.02)	—	(0.34)	0.04	8.41	4.64%	\$ 403,198	0.65% ⁽⁷⁾	0.73%	5.38%	41%
4/1/16 to 3/31/17	7.80	0.46	0.57	1.03	(0.46)	—	—	(0.46)	0.57	8.37	13.48	483,080	0.64	0.64	5.65	87
4/1/15 to 3/31/16	8.73	0.47	(0.92)	(0.45)	(0.48)	—	—	(0.48)	(0.93)	7.80	(5.23)	523,206	0.61	0.61	5.71	76
4/1/14 to 3/31/15	9.95	0.54	(0.43)	0.11	(0.54)	—	(0.79)	(1.33)	(1.22)	8.73	1.53	695,060	0.58	0.58	5.63	72
4/1/13 to 3/31/14	10.26	0.58	0.06	0.64	(0.59)	—	(0.36)	(0.95)	(0.31)	9.95	6.65	1,211,146	0.55	0.55	5.79	89
4/1/12 to 3/31/13	9.69	0.64	0.56	1.20	(0.63)	—	—	(0.63)	0.57	10.26	12.80	1,792,768	0.54	0.54	6.41	79
Class R																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.36	0.30	0.07	0.37	(0.30)	(0.02)	—	(0.32)	0.05	8.41	4.45%	\$ 119	1.04%	1.20%	4.80%	41%
4/1/16 to 3/31/17	7.80	0.43	0.56	0.99	(0.43)	—	—	(0.43)	0.56	8.36	12.90	130	1.04	1.04	5.32	87
4/1/15 to 3/31/16	8.72	0.44	(0.91)	(0.47)	(0.45)	—	—	(0.45)	(0.92)	7.80	(5.52)	573	1.04	1.04	5.29	76
4/1/14 to 3/31/15	9.94	0.49	(0.42)	0.07	(0.50)	—	(0.79)	(1.29)	(1.22)	8.72	1.05	782	1.04	1.04	5.18	72
4/1/13 to 3/31/14	10.26	0.53	0.05	0.58	(0.54)	—	(0.36)	(0.90)	(0.32)	9.94	6.04	1,237	1.04	1.04	5.31	89
4/1/12 to 3/31/13	9.68	0.59	0.57	1.16	(0.58)	—	—	(0.58)	0.58	10.26	12.36	2,385	1.03	1.03	5.92	79

The footnote legend is at the end of the financial highlights.

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VIRTUS ASSET TRUST
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THROUGHOUT EACH PERIOD

	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix High Yield Fund (Continued)																
Class R6*																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 8.37	0.35	0.05	0.40	(0.33)	(0.02)	—	(0.35)	0.05	8.42	4.85%	\$ 45,035	0.54% ⁽⁷⁾	0.62%	5.50%	41%
8/1/16 to 3/31/17 ⁽¹³⁾	8.17	0.33	0.18	0.51	(0.31)	—	—	(0.31)	0.20	8.37	6.34 ⁽⁸⁾	42,695	0.54	0.54	5.86	87
Seix Investment Grade Tax-Exempt Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.65	0.22	0.10	0.32	(0.22)	—	—	(0.22)	0.10	11.75	2.76%	\$ 11,066	0.80%	0.96%	2.46%	130%
4/1/16 to 3/31/17	12.24	0.26	(0.32)	(0.06)	(0.26)	—	(0.27)	(0.53)	(0.59)	11.65	(0.48)	20,281	0.80	0.92	2.16	138
4/1/15 to 3/31/16	12.30	0.26	0.08	0.34	(0.26)	—	(0.14)	(0.40)	(0.06)	12.24	2.89	24,861	0.80	0.93	2.17	139
4/1/14 to 3/31/15	12.14	0.29	0.32	0.61	(0.29)	—	(0.16)	(0.45)	0.16	12.30	5.09	29,439	0.80	0.91	2.37	144
4/1/13 to 3/31/14	12.47	0.26	(0.24)	0.02	(0.26)	—	(0.09)	(0.35)	(0.33)	12.14	0.23	30,100	0.80	0.90	2.13	104
4/1/12 to 3/31/13	12.50	0.23	0.36	0.59	(0.23)	—	(0.39)	(0.62)	(0.03)	12.47	4.75	36,958	0.82	0.87	1.78	151
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.64	0.23	0.09	0.32	(0.23)	—	—	(0.23)	0.09	11.73	2.79%	\$ 463,968	0.65%	0.76%	2.62%	130%
4/1/16 to 3/31/17	12.22	0.28	(0.31)	(0.03)	(0.28)	—	(0.27)	(0.55)	(0.58)	11.64	(0.24)	519,784	0.65	0.70	2.30	138
4/1/15 to 3/31/16	12.29	0.28	0.07	0.35	(0.28)	—	(0.14)	(0.42)	(0.07)	12.22	2.96	629,435	0.65	0.68	2.32	139
4/1/14 to 3/31/15	12.13	0.31	0.32	0.63	(0.31)	—	(0.16)	(0.47)	0.16	12.29	5.25	657,851	0.65	0.68	2.53	144
4/1/13 to 3/31/14	12.45	0.28	(0.23)	0.05	(0.28)	—	(0.09)	(0.37)	(0.32)	12.13	0.48	643,828	0.64	0.64	2.29	104
4/1/12 to 3/31/13	12.49	0.25	0.35	0.60	(0.25)	—	(0.39)	(0.64)	(0.04)	12.45	4.87	982,171	0.62	0.63	1.98	151
Seix Limited Duration Fund																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.85	0.09	0.01	0.10	(0.09)	—	—	(0.09)	0.01	9.86	1.03%	\$ 6,789	0.35%	1.04%	1.22%	53%
4/1/16 to 3/31/17	9.83	0.07	0.01	0.08	(0.06)	—	—	(0.06)	0.02	9.85	0.86	6,661	0.34 ⁽¹⁴⁾	0.46 ⁽¹⁴⁾	0.68	89
4/1/15 to 3/31/16	9.83	0.03	— ⁽¹¹⁾	0.03	(0.03)	—	—	(0.03)	—	9.83	0.26	6,649	0.35	0.47	0.29	50
4/1/14 to 3/31/15	9.83	0.02	— ⁽¹¹⁾	0.02	(0.02)	—	—	(0.02)	—	9.83	0.18	6,650	0.34	0.46	0.21	45
4/1/13 to 3/31/14	9.83	0.03	(0.01)	0.02	(0.02)	—	—	(0.02)	—	9.83	0.21	6,650	0.32	0.43	0.27	104
4/1/12 to 3/31/13	9.76	0.05	0.06	0.11	(0.04)	—	—	(0.04)	0.07	9.83	1.08	9,357	0.30	0.33	0.50	56
Seix North Carolina Tax-Exempt Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.00	0.18	0.15	0.33	(0.16)	—	(0.08)	(0.24)	0.09	10.09	3.30%	\$ 1,436	0.80%	1.10%	2.37%	29%
4/1/16 to 3/31/17	10.50	0.21	(0.28)	(0.07)	(0.21)	—	(0.22)	(0.43)	(0.50)	10.00	(0.59)	2,170	0.80	0.82	2.02	61
4/1/15 to 3/31/16	10.46	0.22	0.12	0.34	(0.23)	—	(0.07)	(0.30)	0.04	10.50	3.23	492	0.80	0.81	2.15	42
4/1/14 to 3/31/15	10.04	0.23	0.42	0.65	(0.23)	—	—	(0.23)	0.42	10.46	6.56	795	0.79	0.79	2.27	51
4/1/13 to 3/31/14	10.65	0.25	(0.31)	(0.06)	(0.25)	—	(0.30)	(0.55)	(0.61)	10.04	(0.45)	861	0.77	0.77	2.44	77
4/1/12 to 3/31/13	10.45	0.28	0.20	0.48	(0.28)	—	—	(0.28)	0.20	10.65	4.63	910	0.77	0.77	2.60	79

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	Net Asset Value, Beginning of Period	Net Investment Income (Loss) ⁽¹⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix North Carolina Tax-Exempt Bond Fund (Continued)																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.02	0.19	0.16	0.35	(0.17)	—	(0.08)	(0.25)	0.10	10.12	3.51%	\$ 20,891	0.65%	1.04%	2.52%	29%
4/1/16 to 3/31/17	10.53	0.23	(0.29)	(0.06)	(0.23)	—	(0.22)	(0.45)	(0.51)	10.02	(0.53)	21,813	0.65	0.74	2.22	61
4/1/15 to 3/31/16	10.49	0.24	0.11	0.35	(0.24)	—	(0.07)	(0.31)	0.04	10.53	3.39	28,576	0.65	0.73	2.31	42
4/1/14 to 3/31/15	10.06	0.25	0.43	0.68	(0.25)	—	—	(0.25)	0.43	10.49	6.80	37,190	0.65	0.69	2.40	51
4/1/13 to 3/31/14	10.68	0.26	(0.31)	(0.05)	(0.27)	—	(0.30)	(0.57)	(0.62)	10.06	(0.38)	37,311	0.61	0.61	2.59	77
4/1/12 to 3/31/13	10.47	0.30	0.21	0.51	(0.30)	—	—	(0.30)	0.21	10.68	4.88	50,991	0.62	0.62	2.79	79
Seix Short-Term Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.95	0.07	(0.04)	0.03	(0.07)	(0.01)	—	(0.08)	(0.05)	9.90	0.27%	\$ 2,210	0.80%	1.26%	0.89%	145%
4/1/16 to 3/31/17	10.01	0.06	(0.06)	—	(0.06)	—	—	(0.06)	(0.06)	9.95	0.03	2,308	0.80	0.80	0.58	129
4/1/15 to 3/31/16	10.00	0.04	0.02	0.06	(0.05)	—	—	(0.05)	0.01	10.01	0.58	2,104	0.80	0.81	0.38	87
4/1/14 to 3/31/15	9.98	0.04	0.02	0.06	(0.04)	—	—	(0.04)	0.02	10.00	0.63	2,316	0.80	0.81	0.37	199
4/1/13 to 3/31/14	10.03	0.10	(0.05)	0.05	(0.10)	—	—	(0.10)	(0.05)	9.98	0.54	2,748	0.78	0.80	1.00	79
4/1/12 to 3/31/13	10.02	0.13	0.01	0.14	(0.13)	—	—	(0.13)	0.01	10.03	1.40	2,069	0.73	0.74	1.27	128
Class C																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.94	0.02	(0.05)	(0.03)	(0.01)	(0.01)	—	(0.02)	(0.05)	9.89	(0.26)%	\$ 1,257	1.48%	2.04%	0.21%	145%
4/1/16 to 3/31/17	10.00	— ⁽¹¹⁾	(0.06)	(0.06)	—	—	—	—	(0.06)	9.94	(0.57) ⁽⁸⁾	1,310	1.40	1.57	(0.03)	129
4/1/15 to 3/31/16	10.00	(0.01)	0.01	—	— ⁽¹¹⁾	—	—	— ⁽¹¹⁾	—	10.00	—	1,742	1.29	1.58	(0.10)	87
4/1/14 to 3/31/15	9.97	(0.01)	0.04	0.03	— ⁽¹¹⁾	—	—	— ⁽¹¹⁾	0.03	10.00	0.31	1,730	1.22	1.58	(0.06)	199
4/1/13 to 3/31/14	10.02	0.02	(0.04)	(0.02)	(0.03)	—	—	(0.03)	(0.05)	9.97	(0.24)	1,899	1.56	1.56	0.23	79
4/1/12 to 3/31/13	10.01	0.05	0.01	0.06	(0.05)	—	—	(0.05)	0.01	10.02	0.65	2,425	1.48	1.48	0.52	128
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.92	0.08	(0.05)	0.03	(0.08)	(0.01)	—	(0.09)	(0.06)	9.86	0.31%	\$ 7,918	0.60%	0.91%	1.05%	145%
4/1/16 to 3/31/17	9.98	0.08	(0.06)	0.02	(0.08)	—	—	(0.08)	(0.06)	9.92	0.23	52,024	0.60	0.69	0.77	129
4/1/15 to 3/31/16	9.98	0.06	0.01	0.07	(0.07)	—	—	(0.07)	—	9.98	0.68	49,749	0.60	0.68	0.58	87
4/1/14 to 3/31/15	9.95	0.05	0.04	0.09	(0.06)	—	—	(0.06)	0.03	9.98	0.93	50,689	0.60	0.67	0.52	199
4/1/13 to 3/31/14	10.00	0.12	(0.05)	0.07	(0.12)	—	—	(0.12)	(0.05)	9.95	0.75	38,400	0.58	0.58	1.22	79
4/1/12 to 3/31/13	9.99	0.15	0.01	0.16	(0.15)	—	—	(0.15)	0.01	10.00	1.65	78,383	0.48	0.48	1.51	128
Seix Short-Term Municipal Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.93	0.05	(0.01)	0.04	(0.05)	—	(0.01)	(0.06)	(0.02)	9.91	0.39%	\$ 1,765	0.65%	0.95%	0.70%	56%
4/1/16 to 3/31/17	9.98	0.05	(0.03)	0.02	(0.06)	—	(0.01)	(0.07)	(0.05)	9.93	0.26	1,810	0.65	0.74	0.54	59
4/1/15 to 3/31/16	10.00	0.02	— ⁽¹¹⁾	0.02	(0.02)	—	(0.02)	(0.04)	(0.02)	9.98	0.23	7,354	0.67	0.72	0.24	82
4/1/14 to 3/31/15	9.99	0.03	0.08	0.11	(0.03)	—	(0.07)	(0.10)	0.01	10.00	1.06	3,863	0.70	0.75	0.26	148
4/1/13 to 3/31/14	10.01	0.01	0.01	0.02	(0.01)	—	(0.03)	(0.04)	(0.02)	9.99	0.25	5,900	0.65	0.82	0.10	260
4/1/12 to 3/31/13	10.73	0.04	0.26	0.30	(0.04)	—	(0.98)	(1.02)	(0.72)	10.01	2.86	3,694	0.73	1.04	0.39	199

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Seix Short-Term Municipal Bond Fund (Continued)																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.93	0.07	(0.01)	0.06	(0.07)	—	(0.01)	(0.08)	(0.02)	9.91	0.52%	\$ 31,289	0.48%	0.81%	0.87%	56%
4/1/16 to 3/31/17	9.98	0.08	(0.04)	0.04	(0.08)	—	(0.01)	(0.09)	(0.05)	9.93	0.40	26,710	0.48	0.66	0.75	59
4/1/15 to 3/31/16	10.00	0.04	— ⁽¹¹⁾	0.04	(0.04)	—	(0.02)	(0.06)	(0.02)	9.98	0.41	32,184	0.51	0.62	0.41	82
4/1/14 to 3/31/15	9.99	0.04	0.08	0.12	(0.04)	—	(0.07)	(0.11)	0.01	10.00	1.21	38,669	0.55	0.62	0.42	148
4/1/13 to 3/31/14	10.01	0.02	0.01	0.03	(0.02)	—	(0.03)	(0.05)	(0.02)	9.99	0.37	30,852	0.54	0.71	0.21	260
4/1/12 to 3/31/13	10.73	0.05	0.27	0.32	(0.06)	—	(0.98)	(1.04)	(0.72)	10.01	3.01	11,121	0.58	0.91	0.52	199
Seix Total Return Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.77	0.15	—	0.15	(0.09)	(0.06)	—	(0.15)	—	10.77	1.37%	\$ 13,227	0.71% ⁽⁷⁾	0.84%	1.86%	150%
4/1/16 to 3/31/17	11.02	0.20	(0.06)	0.14	(0.22)	—	(0.17)	(0.39)	(0.25)	10.77	1.22	27,284	0.70	0.70	1.85	210
4/1/15 to 3/31/16	11.11	0.17	(0.06)	0.11	(0.19)	—	(0.01)	(0.20)	(0.09)	11.02	1.02	32,366	0.71	0.71	1.55	181
4/1/14 to 3/31/15	10.77	0.21	0.35	0.56	(0.22)	—	—	(0.22)	0.34	11.11	5.28	43,401	0.71	0.71	1.90	173
4/1/13 to 3/31/14	11.15	0.20	(0.28)	(0.08)	(0.20)	—	(0.10)	(0.30)	(0.38)	10.77	(0.70)	41,134	0.70	0.70	1.82	217
4/1/12 to 3/31/13	11.12	0.16	0.25	0.41	(0.18)	—	(0.20)	(0.38)	0.03	11.15	3.76	50,279	0.66	0.68	1.42	139
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.42	0.17	(0.01)	0.16	(0.10)	(0.06)	—	(0.16)	—	10.42	1.56%	\$ 681,010	0.46%	0.53%	2.15%	150%
4/1/16 to 3/31/17	10.67	0.22	(0.07)	0.15	(0.23)	—	(0.17)	(0.40)	(0.25)	10.42	1.44 ⁽⁸⁾	790,997	0.46	0.46	2.10	210
4/1/15 to 3/31/16	10.75	0.19	(0.05)	0.14	(0.21)	—	(0.01)	(0.22)	(0.08)	10.67	1.35 ⁽⁸⁾	971,159	0.45	0.45	1.82	181
4/1/14 to 3/31/15	10.43	0.23	0.34	0.57	(0.25)	—	—	(0.25)	0.32	10.75	5.47	972,117	0.44	0.44	2.17	173
4/1/13 to 3/31/14	10.79	0.22	(0.26)	(0.04)	(0.22)	—	(0.10)	(0.32)	(0.36)	10.43	(0.31)	1,022,101	0.41	0.41	2.12	217
4/1/12 to 3/31/13	10.77	0.18	0.25	0.43	(0.21)	—	(0.20)	(0.41)	0.02	10.79	4.01	1,204,228	0.39	0.40	1.69	139
Class R																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.42	0.13	(0.01)	0.12	(0.06)	(0.06)	—	(0.12)	—	10.42	1.18%	\$ 31,959	0.99%	1.00%	1.62%	150%
4/1/16 to 3/31/17	10.67	0.16	(0.07)	0.09	(0.17)	—	(0.17)	(0.34)	(0.25)	10.42	0.83	39,541	1.06	1.06	1.48	210
4/1/15 to 3/31/16	10.75	0.13	(0.05)	0.08	(0.15)	—	(0.01)	(0.16)	(0.08)	10.67	0.74	50,402	1.06	1.06	1.21	181
4/1/14 to 3/31/15	10.43	0.17	0.33	0.50	(0.18)	—	—	(0.18)	0.32	10.75	4.83	64,539	1.05	1.06	1.56	173
4/1/13 to 3/31/14	10.80	0.16	(0.27)	(0.11)	(0.16)	—	(0.10)	(0.26)	(0.37)	10.43	(1.02)	72,556	1.03	1.07	1.52	217
4/1/12 to 3/31/13	10.78	0.12	0.25	0.37	(0.15)	—	(0.20)	(0.35)	0.02	10.80	3.34	72,697	0.96	1.05	1.11	139
Class R6*																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.42	0.19	(0.02)	0.17	(0.11)	(0.06)	—	(0.17)	—	10.42	1.68%	\$ 145,096	0.31%	0.40%	2.38%	150%
4/1/16 to 3/31/17	10.67	0.25	(0.08)	0.17	(0.25)	—	(0.17)	(0.42)	(0.25)	10.42	1.58	101,022	0.31	0.31	2.40	210
4/1/15 to 3/31/16	10.75	0.21	(0.06)	0.15	(0.22)	—	(0.01)	(0.23)	(0.08)	10.67	1.49	56,133	0.31	0.31	1.95	181
8/1/14 to 3/31/15 ⁽¹²⁾	10.56	0.16	0.20	0.36	(0.17)	—	—	(0.17)	0.19	10.75	3.39	71,520	0.31	0.31	2.20	173

The footnote legend is at the end of the financial highlights.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
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⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix U.S. Government Securities Ultra-Short Bond Fund																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.03	0.09	(0.01)	0.08	(0.09)	(0.01)	—	(0.10)	(0.02)	10.01	0.82%	\$1,343,042	0.41%	0.47%	1.17%	48%
4/1/16 to 3/31/17	10.03	0.07	0.03	0.10	(0.10)	—	—	(0.10)	—	10.03	0.98	1,367,242	0.42	0.42	0.72	77
4/1/15 to 3/31/16	10.12	0.06	(0.07)	(0.01)	(0.08)	—	—	(0.08)	(0.09)	10.03	(0.11)	1,557,899	0.41	0.41	0.57	52
4/1/14 to 3/31/15	10.12	0.06	0.02	0.08	(0.08)	—	—	(0.08)	—	10.12	0.77	1,665,888	0.39	0.39	0.55	34
4/1/13 to 3/31/14	10.17	0.03	(0.02)	0.01	(0.06)	—	—	(0.06)	(0.05)	10.12	0.13	1,993,215	0.38	0.38	0.31	36
4/1/12 to 3/31/13	10.14	0.03	0.08	0.11	(0.08)	—	—	(0.08)	0.03	10.17	1.10	2,331,913	0.36	0.36	0.29	137
Class R6[†]																
4/1/17 to 12/31/17 ⁽⁶⁾	\$10.04	0.10	— ⁽¹¹⁾	0.10	(0.10)	(0.01)	—	(0.11)	(0.01)	10.03	1.04%	\$ 43,072	0.26%	0.33%	1.32%	48%
8/1/16 to 3/31/17 ⁽¹³⁾	10.04	0.08	—	0.08	(0.08)	—	—	(0.08)	—	10.04	0.77 ⁽⁸⁾	32,657	0.26	0.26	1.12	77
Seix U.S. Mortgage Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.10	0.12	0.04	0.16	(0.11)	(0.06)	—	(0.17)	(0.01)	11.09	1.45%	\$ 2,566	0.90%	1.59%	1.48%	89%
4/1/16 to 3/31/17	11.31	0.05	(0.04)	0.01	(0.18)	—	(0.04)	(0.22)	(0.21)	11.10	0.04 ⁽⁸⁾	3,594	0.90	0.98	0.41	118
4/1/15 to 3/31/16	11.29	0.08	0.11	0.19	(0.17)	—	—	(0.17)	0.02	11.31	1.72	6,560	0.90	1.10	0.76	223
4/1/14 to 3/31/15	10.88	0.16	0.47	0.63	(0.22)	—	—	(0.22)	0.41	11.29	5.86	5,201	0.89	1.43	1.45	165
4/1/13 to 3/31/14	11.14	0.11	(0.18)	(0.07)	(0.19)	—	—	(0.19)	(0.26)	10.88	(0.58)	1,721	0.86	1.27	1.02	236
4/1/12 to 3/31/13	11.07	0.02	0.21	0.23	(0.16)	—	—	(0.16)	0.07	11.14	2.06	2,271	0.86	1.05	0.15	163
Class C																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.11	0.05	0.06	0.11	(0.05)	(0.06)	—	(0.11)	—	11.11	0.99%	\$ 3,722	1.62%	1.98%	0.65%	89%
4/1/16 to 3/31/17	11.33	(0.03)	(0.06)	(0.09)	(0.09)	—	(0.04)	(0.13)	(0.22)	11.11	(0.79) ⁽⁸⁾	4,301	1.65	1.71	0.26	118
4/1/15 to 3/31/16	11.32	— ⁽¹¹⁾	0.10	0.10	(0.09)	—	—	(0.09)	0.01	11.33	0.88	5,478	1.65	1.79	0.01	223
4/1/14 to 3/31/15	10.90	0.09	0.47	0.56	(0.14)	—	—	(0.14)	0.42	11.32	5.15	3,989	1.65	2.15	0.79	165
4/1/13 to 3/31/14	11.16	0.03	(0.18)	(0.15)	(0.11)	—	—	(0.11)	(0.26)	10.90	(1.36)	4,780	1.66	2.04	0.23	236
4/1/12 to 3/31/13	11.09	(0.07)	0.21	0.14	(0.07)	—	—	(0.07)	0.07	11.16	1.25	6,039	1.66	1.84	(0.65)	163
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$11.12	0.13	0.05	0.18	(0.13)	(0.06)	—	(0.19)	(0.01)	11.11	1.60%	\$ 18,967	0.70%	1.08%	1.52%	89%
4/1/16 to 3/31/17	11.33	0.07	(0.04)	0.03	(0.20)	—	(0.04)	(0.24)	(0.21)	11.12	0.24 ⁽⁸⁾	17,620	0.70	0.86	0.66	118
4/1/15 to 3/31/16	11.32	0.12	0.09	0.21	(0.20)	—	—	(0.20)	0.01	11.33	1.84	25,068	0.70	0.86	1.03	223
4/1/14 to 3/31/15	10.90	0.19	0.48	0.67	(0.25)	—	—	(0.25)	0.42	11.32	6.16	3,650	0.69	1.26	1.75	165
4/1/13 to 3/31/14	11.16	0.12	(0.16)	(0.04)	(0.22)	—	—	(0.22)	(0.26)	10.90	(0.38)	3,692	0.66	1.10	1.08	236
4/1/12 to 3/31/13	11.09	0.04	0.21	0.25	(0.18)	—	—	(0.18)	0.07	11.16	2.26	8,851	0.66	0.85	0.37	163
Seix Ultra-Short Bond Fund																
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.96	0.11	0.01	0.12	(0.11)	—	—	(0.11)	0.01	9.97	1.21%	\$ 59,548	0.42% ⁽⁷⁾	0.56%	1.44%	53%
4/1/16 to 3/31/17	9.93	0.10	0.04	0.14	(0.11)	—	—	(0.11)	0.03	9.96	1.41	87,344	0.40	0.40	1.05	142
4/1/15 to 3/31/16	9.97	0.08	(0.04)	0.04	(0.08)	—	—	(0.08)	(0.04)	9.93	0.42	104,950	0.38	0.38	0.77	59
4/1/14 to 3/31/15	9.98	0.06	— ⁽¹¹⁾	0.06	(0.07)	—	—	(0.07)	(0.01)	9.97	0.55	142,680	0.37	0.37	0.57	54
4/1/13 to 3/31/14	9.98	0.07	0.01	0.08	(0.08)	—	—	(0.08)	—	9.98	0.76	122,053	0.35	0.35	0.65	134
4/1/12 to 3/31/13	9.95	0.10	0.04	0.14	(0.11)	—	—	(0.11)	0.03	9.98	1.39	109,224	0.33	0.33	0.98	127

The footnote legend is at the end of the financial highlights.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
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⁾	Net Realized and Unrealized Gain (Loss)	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Tax Return of Capital	Distributions from Net Realized Gains	Total Distributions	Change in Net Asset Value	Net Asset Value, End of Period	Total Return ⁽²⁾	Net Assets, End of Period (in thousands)	Ratio of Net expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Gross Expenses to Average Net Assets ⁽³⁾⁽⁴⁾	Ratio of Net Investment Income (Loss) to Average Net Assets ⁽³⁾	Portfolio Turnover Rate ⁽⁵⁾
Seix Virginia Intermediate Municipal Bond Fund																
Class A																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.55	0.16	0.10	0.26	(0.16)	—	(0.12)	(0.28)	(0.02)	9.53	2.80%	\$ 3,352	0.79%	1.02%	2.26%	34%
4/1/16 to 3/31/17	10.06	0.23	(0.23)	—	(0.23)	—	(0.28)	(0.51)	(0.51)	9.55	(0.01)	3,624	0.79	0.79	2.28	49
4/1/15 to 3/31/16	10.23	0.23	0.09	0.32	(0.23)	—	(0.26)	(0.49)	(0.17)	10.06	3.29	4,365	0.76	0.76	2.29	48
4/1/14 to 3/31/15	10.11	0.24	0.21	0.45	(0.24)	—	(0.09)	(0.33)	0.12	10.23	4.45	5,152	0.74	0.74	2.34	59
4/1/13 to 3/31/14	10.53	0.27	(0.32)	(0.05)	(0.27)	—	(0.10)	(0.37)	(0.42)	10.11	(0.35)	7,668	0.73	0.73	2.67	65
4/1/12 to 3/31/13	10.63	0.30	0.07	0.37	(0.30)	—	(0.17)	(0.47)	(0.10)	10.53	3.45	10,996	0.74	0.74	2.78	33
Class I																
4/1/17 to 12/31/17 ⁽⁶⁾	\$ 9.55	0.17	0.11	0.28	(0.18)	—	(0.12)	(0.30)	(0.02)	9.53	2.91%	\$ 37,626	0.65%	0.88%	2.40%	34%
4/1/16 to 3/31/17	10.06	0.24	(0.23)	0.01	(0.24)	—	(0.28)	(0.52)	(0.51)	9.55	0.13	45,969	0.65	0.70	2.41	49
4/1/15 to 3/31/16	10.24	0.24	0.08	0.32	(0.24)	—	(0.26)	(0.50)	(0.18)	10.06	3.30	64,653	0.65	0.68	2.38	48
4/1/14 to 3/31/15	10.12	0.25	0.21	0.46	(0.25)	—	(0.09)	(0.34)	0.12	10.24	4.54	119,103	0.65	0.65	2.42	59
4/1/13 to 3/31/14	10.54	0.29	(0.32)	(0.03)	(0.29)	—	(0.10)	(0.39)	(0.42)	10.12	(0.20)	120,600	0.58	0.58	2.83	65
4/1/12 to 3/31/13	10.63	0.31	0.08	0.39	(0.31)	—	(0.17)	(0.48)	(0.09)	10.54	3.70	144,889	0.59	0.59	2.93	33

Footnote Legend

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

- (1) Calculated using average shares outstanding.
- (2) Total return excludes sales charge. Not annualized for periods less than one year. Sales charges where applicable are not reflected in the Total Return calculation.
- (3) Annualized for periods less than one year.
- (4) The Fund will also indirectly bear its prorated share of expenses of any underlying funds in which it invests. Such expenses are not included in the calculation of this ratio.
- (5) Not Annualized for periods less than one year.
- (6) The Fund changed its fiscal period end to December 31 during the period.
- (7) Due to a change in expense cap, the ratio shown is a blended expense ratio.
- (8) Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes, and as such, the net asset values for shareholder transactions and the returns based on those net asset values may differ from the net asset values and returns reported in the management's discussion of Fund performance.
- (9) Class R6 (formerly IS) commenced operations on August 3, 2015 for the predecessor fund (see Note 1).
- (10) Class R6 (formerly IS) commenced operations on February 2, 2015 for the predecessor fund (see Note 1).
- (11) Rounds to less than \$0.005 per share or less than 0.01%, as applicable.
- (12) Class R6 (formerly IS) commenced operations on August 1, 2014 for the predecessor fund (see Note 1).
- (13) Class R6 (formerly IS) commenced operations on August 1, 2016 for the predecessor fund (see Note 1).
- (14) Net investment income per share and the ratio of net investment income to average net assets include a non-recurring refund for overbilling of prior years' custodian out-of-pocket fees which amounted to \$0.01 per share and 0.09%, 0.07%, and 0.07% of average net assets for the Class A, Class I and Class IS, respectively.

See Notes to Financial Statements.

VIRTUS ASSET TRUST
NOTES TO FINANCIAL STATEMENTS
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Note 1. Organization

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

As of the date of this report, 26 funds of the Trust are offered for sale, of which 17 (each a “Fund”) are reported in this annual report. Each Fund has a distinct investment objective and is diversified except the Seix North Carolina Tax-Exempt Bond Fund which is non-diversified. Each Fund’s investment objectives are outlined in each Fund’s summary page. *There is no guarantee that a Fund will achieve its objective(s).*

Before each Fund identified below commenced operations, on July 14, 2017, all of the property, assets and liabilities of the corresponding fund identified as its respective Predecessor Fund (“Predecessor Fund”) were transferred to the Fund in a tax-free reorganization as set forth in an agreement and plan of reorganization (each a “RidgeWorth Reorganization”) between the Trust, on behalf of the Funds, and RidgeWorth Funds, on behalf of the Predecessor Funds. As a result of each RidgeWorth Reorganization, the applicable Fund assumed the performance and accounting history of its corresponding Predecessor Fund. Financial information included for the dates prior to the RidgeWorth Reorganizations is that of the Predecessor Funds.

Predecessor Fund

Fund

RidgeWorth Seix Core Bond Fund.....	Seix Core Bond Fund
RidgeWorth Seix Corporate Bond Fund.....	Seix Corporate Bond Fund
RidgeWorth Seix Floating Rate High Income Fund.....	Seix Floating Rate High Income Fund
RidgeWorth Seix Georgia Tax-Exempt Bond Fund.....	Seix Georgia Tax-Exempt Bond Fund
RidgeWorth Seix High Grade Municipal Bond Fund.....	Seix High Grade Municipal Bond Fund
RidgeWorth Seix High Income Fund.....	Seix High Income Fund
RidgeWorth Seix High Yield Fund.....	Seix High Yield Fund
RidgeWorth Seix Investment Grade Tax-Exempt Bond Fund.....	Seix Investment Grade Tax-Exempt Bond Fund
RidgeWorth Seix Limited Duration Fund.....	Seix Limited Duration Fund
RidgeWorth Seix North Carolina Tax-Exempt Bond Fund.....	Seix North Carolina Tax-Exempt Bond Fund
RidgeWorth Seix Short-Term Bond Fund.....	Seix Short-Term Bond Fund
RidgeWorth Seix Short-Term Municipal Bond Fund.....	Seix Short-Term Municipal Bond Fund
RidgeWorth Seix Total Return Bond Fund.....	Seix Total Return Bond Fund
RidgeWorth Seix U.S. Government Securities Ultra-Short Bond Fund.....	Seix U.S. Government Securities Ultra-Short Bond Fund
RidgeWorth Seix U.S. Mortgage Fund.....	Seix U.S. Mortgage Fund
RidgeWorth Seix Ultra-Short Bond Fund.....	Seix Ultra-Short Bond Fund
RidgeWorth Seix Virginia Intermediate Municipal Bond Fund.....	Seix Virginia Intermediate Municipal Bond Fund

The Seix Limited Duration Fund and Seix Ultra-Short Bond Fund offer Class I shares only. The Seix Georgia Tax-Exempt Bond Fund, Seix High Grade Municipal Bond Fund, Seix Investment Grade Tax-Exempt Bond Fund, Seix North Carolina Tax-Exempt Bond Fund, Seix Short-Term Municipal Bond Fund and Seix Virginia Intermediate Bond Fund offer Class I shares and Class A shares. The Seix U.S. Government Securities Ultra-Short Bond Fund offers Class I shares and Class R6 shares. The Seix Core Bond Fund, Seix High Income Fund, Seix High Yield Fund and Seix Total Return Bond Fund offer Class I shares, Class A shares, Class R shares and Class R6 shares. The Seix Floating Rate High Income Fund offers Class I shares, Class A shares, Class C shares and Class R6 shares. The remaining Funds offer Class I shares, Class A shares and Class C shares. Each Fund has Class T shares registered, but they are not yet available for purchase.

Class A shares of the Funds are sold with a front-end sales charge of up to 3.75% with some exceptions. Generally, Class A shares are not subject to any charges by the Funds when redeemed; however, a 0.50% contingent deferred sales charge (“CDSC”) may be imposed on certain redemptions made within a certain period following purchases on which a finder’s fee has been paid. The period for which the CDSC applies for the Funds is 12 months for the Seix Short-Term Bond Fund, Seix Short-Term Municipal Bond Fund and Seix U.S. Mortgage Fund, and 18 months for all other Funds. 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, applicable if redeemed within one year of purchase. Class I shares, Class R shares, and Class R6 shares are sold without a front-end sales charge or CDSC.

Class R6 shares are available only to the following investors without a minimum initial investment or minimum additional purchases: certain employer sponsored retirement plans, including Section 401(k), 403(b) and 457, profit-sharing, money purchase pension and defined benefit plans and nonqualified deferred compensation plans, in each case provided that plan level or omnibus accounts are held on the books of the Fund. Other institutional investors may be permitted to purchase Class R6 shares subject to the Fund’s determination of eligibility and may be subject to a minimum initial investment requirement. Class R6 shares do not carry sales commissions or pay Rule 12b-1 fees. No compensation, administrative payments, sub-transfer agency payments or service payments are paid to brokers or other entities from Fund assets or the Funds’ distributor’s or an affiliate’s resources on sales of or investments in Class R6 shares.

The 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. These fees are reflected as “Low Balance Account Fees” in each Fund’s Statements of Operations for the period, as applicable.

VIRTUS ASSET TRUST

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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 Rule 12b-1 and/or shareholder service plan (“12b-1 Plan”) approved by the Board and has exclusive voting rights with respect to such plans. Class I shares and Class R6 shares are not subject to a 12b-1 Plan. Income and other expenses as well as realized and unrealized gains and losses of each Fund are borne pro-rata by the holders of each class of shares.

Note 2. Significant Accounting Policies

The Trust is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to Investment Companies. The following is a summary of the significant accounting policies consistently followed by the Funds in the preparation of their financial statements. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts 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 each Fund, which include nightly price variance as well as back-testing items such as bi-weekly unchanged price, monthly secondary source and transaction analysis, have been approved by the Board. All internally fair valued securities are approved by a valuation committee appointed by the Board (the “Valuation Committee”). The Valuation Committee is comprised of certain members of management as identified to the Board and convenes independently from portfolio management. All internally fair valued securities are updated daily and reviewed in detail by the Valuation Committee monthly unless changes occur within the period. The Valuation Committee reviews the validity of any model inputs and any changes to the model. Fair valuations are reviewed by the Board at least quarterly.

Each Fund utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The Funds’ policy is to recognize transfers between levels at the end of the reporting period.

- Level 1 – quoted prices in active markets for identical securities (security types generally include listed equities).
- 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 a 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 illiquid or are internally fair valued by the Valuation Committee, are generally categorized as Level 3 in the hierarchy.

Certain non-U.S. 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 non-U.S. markets close (where the security is principally traded) and the time that a Fund calculates its net asset value (“NAV”) (at the close of regular trading on the New York Stock Exchange (“NYSE”), generally 4 p.m. Eastern time) that may impact the value of securities traded in these non-U.S. markets. In such cases, the Funds fair value non-U.S. securities using an independent pricing service which considers the correlation of the trading patterns of the non-U.S. 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 non-U.S. common stocks may occur on a frequent basis.

Debt securities, including restricted securities, are valued based on evaluated quotations received from independent pricing services or from dealers who make markets in such securities. For most bond types, the pricing service utilizes matrix pricing that considers one or more of the following factors: yield or price of bonds of comparable quality, coupon, maturity, current cash flows, type, and current day trade information, as well as dealer supplied prices. These valuations are generally categorized as Level 2 in the hierarchy. Structured debt instruments such as mortgage-backed and asset-backed securities may also incorporate collateral analysis and utilize cash flow models for valuation and are generally categorized as Level 2 in the hierarchy. Pricing services do not provide pricing for all securities and therefore indicative bids from dealers are utilized which are based on pricing models used by market makers in the security and are generally categorized as Level 2 in the hierarchy. Debt securities that are internally fair valued by the Valuation Committee are generally categorized as Level 3 in the hierarchy.

Claims are valued by brokers based on pricing models that take into account, among other factors, both cash and non-cash assets. The valuation is derived from expected cash flow of the claims and the non-cash assets, which include all real estate, private equity or other securities within the estate. To the extent that these inputs are observable, the values of the claims are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

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Listed derivatives that are actively traded are valued at the last posted settlement price from the exchange where they are principally traded and are categorized as Level 1 in the hierarchy. Over-the-counter (OTC) derivative contracts, which include forward currency contracts, swaps, swaptions, options and equity linked instruments, are valued based on model prices provided by independent pricing services or from dealer quotes. Depending on the derivative type and the specific terms of the transaction, these models vary and include observable inputs in actively quoted markets including but not limited to: underlying reference entity details, indices, spreads, interest rates, yield curves, dividend and exchange rates. These instruments are generally categorized as Level 2 in the hierarchy. Centrally cleared swaps listed or traded on a bilateral or trade facility platform, such as a registered exchange, are valued at the last posted settlement price determined by the respective exchange. These securities are generally categorized as Level 2 within the hierarchy.

Investments in open-end mutual funds are valued at NAV. Investments in closed-end funds are valued as of the close of regular trading on the NYSE each business day. Both are categorized as Level 1 in the hierarchy.

A summary of the inputs used to value the Funds' net assets by each major security type is disclosed at the end of the Schedule of Investments for each 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 Investment Income

Security transactions are recorded on the trade date. Realized gains and losses from the sales of securities are determined on the identified cost basis. Dividend income is recognized on the ex-dividend date or, in the case of certain foreign securities, as soon as a Fund is notified. Interest income is recorded on the accrual basis. Each Fund amortizes premiums and accretes discounts using the effective interest method. Any distributions from underlying funds are recorded in accordance with the character of the distributions as designated by the underlying funds.

Dividend income from REIT and MLP investments is recorded using management's estimate of the percentage of income included in distributions received from such investments based on historical information and other industry sources. The return of capital portion of the estimate is a reduction to investment income and a reduction in the cost basis of each investment which increases net realized gain (loss) and net change in unrealized appreciation (depreciation). If the return of capital distributions exceed its cost basis, the distributions are treated as realized gains. The actual amounts of income, return of capital, and capital gains are only determined by each REIT and MLP after its fiscal year-end, and may differ from the estimated amounts.

C. Income Taxes

Each Fund is treated as a separate taxable entity. It is the intention of each 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.

Certain Funds may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Each 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 Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. As of December 31, 2017, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year 2014 forward (with limited exceptions).

D. Distributions to Shareholders

Distributions are recorded by each Fund on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations that may differ from U.S. GAAP.

E. Expenses

Expenses incurred together by a Fund and other affiliated mutual funds are allocated in proportion to the net assets of each such fund, except where allocation of direct expenses to each fund or an alternative allocation method can be more appropriately used.

In addition to the net annual operating expenses that a Fund bears directly, the shareholders of a Fund indirectly bear the pro rata expenses of any underlying mutual funds in which the Fund invests.

F. Foreign Currency Transactions

Non-U.S. investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at 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 Funds do not isolate that portion of the results of operations arising from changes in foreign exchange rates on investments from the fluctuations arising from changes in the market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

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G. Securities Traded on a To-Be-Announced Basis

Certain Funds may trade securities on a to-be-announced (“TBA”) basis. In a TBA transaction, a Fund commits to purchasing or selling securities which have not yet been issued by the issuer and for which specific information, such as the face amount, maturity date and underlying pool of investments in U.S. government agency mortgage pass-through securities, is not announced. Securities purchased on a TBA basis are not settled until they are delivered to the Fund. Beginning on the date a Fund enters into a TBA transaction, cash, U.S. government securities or other liquid high-grade debt obligations are segregated in an amount equal in value to the purchase price of the TBA security. These securities are subject to market fluctuations and their current value is determined in the same manner as for other securities.

H. When-issued Purchases and Forward Commitments (Delayed Delivery)

Certain Funds may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by a Fund to purchase or sell a security at a future date (ordinarily up to 90 days later). When-issued or forward commitments enable the Fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates. Each Fund records when-issued and delayed delivery securities on the trade date. Each Fund maintains collateral for the securities purchased. Securities purchased on a when-issued or delayed delivery basis begin earning interest on the settlement date.

I. Leveraged Loans

Certain Funds may invest in direct debt instruments which are interests in amounts owed by a corporate, governmental, or other borrower to lenders or lending syndicates. Leveraged loans are generally non-investment grade and often involve borrowers that are highly leveraged. The Funds may invest in obligations of borrowers who are in bankruptcy proceedings. Leveraged loans are typically senior in the corporate capital structure of the borrower. A loan is often administered by a bank or other financial institution (the “lender”) that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. A Fund’s investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When investing in loan participations, a Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan participation and only upon receipt by the lender of payments from the borrower. A Fund generally has no right to enforce compliance with the terms of the leveraged loan with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the lender that is selling the leveraged loan. When a Fund purchases assignments from lenders it acquires direct rights against the borrower on the loan.

A Fund may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. Leveraged loans may involve foreign borrowers and investments may be denominated in foreign currencies. Direct indebtedness of emerging countries involves a risk that the government entities responsible for the repayment of the debt may be unable, or unwilling, to pay the principal and interest when due.

The leveraged loans have floating rate loan interests which generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally LIBOR (London Interbank Offered Rate), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. When a leveraged loan is purchased a Fund may pay an assignment fee. On an ongoing basis, a Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a leveraged loan. Prepayment penalty fees are received upon the prepayment of a leveraged loan by a borrower. Prepayment penalty, facility, commitment, consent and amendment fees are recorded to income as earned or paid.

As of December 31, 2017, the Funds had the following unfunded loan commitments:

Borrower	Unfunded Loan Commitment		
	Seix Floating Rate High Income Fund	Seix High Income Fund	Seix High Yield Fund
Centene Corp.	\$43,285	\$1,245	\$1,280
Gannett Co., Inc.	1,150	—	—
Radiate Holdco LLC	10,000	—	—
Recess Holdings, Inc.	300	—	—
Supervalu, Inc.	2,361	—	—
Toys R Us-Delaware, Inc.	14,389	—	—

J. Securities Lending

During the period, certain Funds were permitted to loan securities to qualified brokers through an agreement with State Street Bank and Trust Company (“State Street”), as a third party lending agent. Under the terms of the agreement, when doing so a Fund was required to maintain collateral with a market value not less than 100% of the market value of loaned securities. Collateral, consisting of cash and securities issued by the U.S. Government or its agencies, was adjusted daily in connection with changes in the market value of securities on loan. Cash collateral was invested in a short-term money market fund. Dividends earned on the collateral and premiums paid by the broker were recorded as income by a Fund net of fees and rebates charged by State Street 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 declining value of the collateral.

Effective August 10, 2017, securities lending was suspended for the Funds. Effective October 23, 2017, the Bank of New York Mellon became custodian for the Funds and the agreement with State Street was terminated. There were no securities on loan as of December 31, 2017.

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Note 3. Derivative Financial Instruments and Transactions

(\$ reported in thousands)

Disclosures about derivative instruments and hedging activities are intended to enable 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 such disclosures and accounting policies for each specific type of derivative instrument used by certain Funds.

A. Futures Contracts

A futures contract is an agreement between two parties to purchase (long) or sell (short) a security at a set price for delivery on a future date. Upon entering into a futures contract, a Fund is required to pledge to the broker an amount of cash and/or securities equal to the "initial margin" requirements of the futures exchange on which the contract is traded. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund for financial statement purposes on a daily basis as unrealized appreciation or depreciation. When the contract expires or is closed, gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed is realized. This is presented in the Statement of Operations as net realized gain (loss) on futures contracts.

During the fiscal period, the Seix Ultra Short Bond Fund and Seix U.S. Government Securities Ultra Short Bond Fund utilized futures to optimize performance by gaining exposure to broad markets or to hedge the risk of securities within the portfolios. The potential risks to each such Fund are that 1) the use of futures may result in larger losses or smaller gains than the use of more traditional investments, 2) the prices of futures and the price movements of the securities that the future is intended to simulate may not correlate well, 3) the Fund's success in using futures will be dependent upon the subadviser's ability to correctly predict such price movements, 4) liquidity of futures can be adversely affected by market factors, and the prices of such securities may move in unexpected ways, and 5) if the Fund cannot close out a futures position, it may be compelled to continue to make daily cash payments to the broker to meet margin requirements, thus increasing transaction costs. Futures contracts outstanding at period end, if any, are listed after each Fund's Schedule of Investments.

B. Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract is an agreement between two parties to buy and sell a currency at a set exchange rate on a future date. Forward foreign currency exchange contracts, when used by a Fund, help to manage the overall exposure to the currencies in which some of the investments held by the Fund are denominated. The contract is marked-to-market daily and the change in market value is recorded by the Fund as an unrealized appreciation or depreciation. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. The use of forward foreign currency exchange contracts involves the risk that the value of the contract changes unfavorably due to movements in the value of the referenced foreign currencies. Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in U.S. dollars without the delivery of foreign currency.

During the fiscal period, Seix Total Return Bond Fund entered into forward foreign currency exchange contracts as an economic hedge against either specific transactions or portfolio instruments or to obtain exposure to, or hedge exposure away from, foreign currencies (foreign currency exchange rate risk). Forward foreign currency contracts outstanding at period end, if any, are listed after each Fund's Schedule of Investments.

C. Swaps

Certain Funds enter into swap agreements, in which the Fund and a counterparty agree either to make periodic net payments on a specified notional amount or a net payment upon termination. Swap agreements are negotiated in the OTC market and may be entered into as a bilateral contract ("OTC swaps") or centrally cleared ("centrally cleared swaps"). The value of the swap is reflected on the Statements of Assets and Liabilities as "Swaps at value". Swaps are marked-to-market daily and changes in value are recorded as "Net change in unrealized appreciation (depreciation) on swaps" in the Statements of Operations.

Any upfront premiums paid are recorded as assets and any upfront fees received are recorded as liabilities and are shown under "Swaps at value" in the Statements of Assets and Liabilities and are amortized over the term of the swap. When a swap is terminated, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract, if any. Generally, the basis of the contracts is the unamortized premium received or paid. Cash settlements between the Fund and the counterparty are recognized as "Net realized gain (loss) on swaps" in the Statements of Operations. Swap contracts outstanding at period end, if any, are listed after each Fund's Schedule of Investments.

In a centrally cleared swap, immediately following execution of the swap agreement, the swap agreement is submitted to a central counterparty (the "CCP") and the Fund's counterparty on the swap agreement becomes the CCP. The Fund is required to interface with the CCP through a clearing broker. Upon entering into a centrally cleared swap, a Fund is required to deposit initial margin with the clearing broker in the form of cash or securities in an amount that varies depending on the size and risk profile of the particular swap.

Swap transactions involve, to varying degrees, elements of interest rate, credit and market risk in excess of the amounts recognized in the statements of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreements may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreements, and that there may be unfavorable changes in interest rates and/or market values associated with these transactions.

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Credit default swaps – A Fund may either buy or sell (write) credit default swaps on single-name issuers (corporate or sovereign), a combination or basket of single-name issuers or traded indexes. Credit default swaps on single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection seller to make specific payment should a negative credit event take place with respect to the referenced entity (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on a combination or basket of single-name issuers are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the protection seller to make specific payment should a negative credit event take place with respect to any of the referenced entities (e.g., bankruptcy, failure to pay, obligation accelerators, repudiation, moratorium or restructuring). Credit default swaps on traded indexes are agreements in which the buyer pays fixed periodic payments to the seller in consideration for a guarantee from the seller to make a specific payment should a write-down, principal or interest shortfall or default of all or individual underlying securities included in the index occurs. As a buyer, if an underlying credit event occurs, the Fund will either receive from the seller an amount equal to the notional amount of the swap and deliver the referenced security or underlying securities comprising the index or receive a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. As a seller (writer), if an underlying credit event occurs, the Fund will either pay the buyer an amount equal to the notional amount of the swap and take delivery of the referenced security or underlying securities comprising the index or pay a net settlement of cash equal to the notional amount of the swap less the recovery value of the security or underlying securities comprising the index. The Funds may enter into credit default swaps to manage their exposure to the market or certain sectors of the market, to reduce their risk exposure to defaults of corporate and/or sovereign issuers or to create exposure to corporate and/or sovereign issuers to which they are not otherwise exposed (credit risk).

During the fiscal period, the Seix Total Return Bond Fund utilized both single name credit default swaps and credit index swaps to gain exposure to short individual securities or to gain exposure to a credit or asset-backed index.

Interest rate swaps – Interest rate swaps are agreements in which one party pays a stream of interest payments, either fixed or floating, for another party's stream of interest payments, either fixed or floating, on the same notional amount for a specified period of time. Certain Funds may enter into interest rate swaps to gain or reduce exposure to interest rates or to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed rate bonds which may decrease when interest rates rise (interest rate risk).

During the fiscal period, Seix Total Return Bond Fund utilized interest rate swaps to gain exposure to interest rates or to hedge interest rate risk within its portfolio.

The following is a summary of derivative instruments categorized by primary risk exposure, presented in the financial statements as of December 31, 2017:

Fair Values of Derivative Financial Instruments as of December 31, 2017⁽¹⁾

		Derivative Assets		
		Seix Total Return Bond Fund	Seix U.S. Government Securities Ultra-Short Bond Fund	Seix Ultra-Short Bond Fund
Primary Risk	Statement of Assets and Liabilities Location	Value	Value	Value
Foreign currency exchange contracts	Unrealized appreciation on forward foreign currency exchange contracts	\$1,155	\$—	\$—
Total		<u>\$1,155</u>	<u>\$—</u>	<u>\$—</u>
		Derivative Liabilities		
		Value	Value	Value
Primary Risk	Statement of Assets and Liabilities Location	Value	Value	Value
Interest rate contracts	Variation margin payable on futures contracts	\$ —	\$22	\$ 3
Foreign currency exchange contracts	Unrealized depreciation on forward foreign currency exchange contracts	1,885	—	—
Credit contracts	Variation margin payable on swaps	98	—	—
Total		<u>\$1,983</u>	<u>\$22</u>	<u>\$ 3</u>

⁽¹⁾ The variation margin shown in the Statements of Assets and Liabilities is the daily change in the unrealized appreciation (depreciation) for open futures and exchange traded swap contracts. The fair values reported in the Schedules of Investments represent the cumulative unrealized gain (loss) from the date the contract was opened until December 31, 2017.

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The Effect of Derivative Financial Instruments in the Statement of Operations Period Ended December 31, 2017			
Net Realized Gain (Loss) From			
	Seix Total Return Bond Fund	Seix U.S. Government Securities Ultra-Short Bond Fund	Seix Ultra-Short Bond Fund
Interest rate contracts:			
Futures contracts	\$ —	\$104	\$35
Swaps	(363)	—	—
Foreign currency exchange contracts:			
Forward foreign currency transactions	(420)	—	—
Credit contracts:			
Swaps	(1,370)	—	—
Total	<u><u>\$ (2,153)</u></u>	<u><u>\$104</u></u>	<u><u>\$35</u></u>

The Effect of Derivative Financial Instruments in the Statement of Operations Period Ended December 31, 2017			
Net Change in Unrealized Appreciation/(Depreciation) on			
	Seix Total Return Bond Fund	Seix U.S. Government Securities Ultra-Short Bond Fund	Seix Ultra-Short Bond Fund
Interest rate contracts:			
Futures	\$ —	\$227	\$34
Foreign currency exchange contracts:			
Forward foreign currency transactions	17	—	—
Credit contracts:			
Swaps	(2,679)	—	—
Total	<u><u>\$ (2,662)</u></u>	<u><u>\$227</u></u>	<u><u>\$34</u></u>

The quarterly average values (unless otherwise specified) of the derivatives held by the funds in the tables shown below indicate the volume of derivative activity for each applicable Fund for the year ended December 31, 2017.

Seix Total Return Bond Fund				
	Credit Risk	Foreign Exchange Risk	Interest Rate Risk	Equity Risk
Average Number of Contracts, Notional Amounts or Shares				
Swap Contracts	\$78,826	\$ —	\$364,444	\$—
Forward Contracts	—	72,127	—	—

Seix U.S. Government Securities Ultra-Short Bond Fund				
	Credit Risk	Foreign Exchange Risk	Interest Rate Risk	Equity Risk
Average Number of Contracts, Notional Amounts or Shares				
Future Contracts	—	—	— ⁽¹⁾	—

⁽¹⁾ Amount is less than 500.

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Seix Ultra-Short Bond Fund

Average Number of Contracts, Notional Amounts or Shares	<u>Credit Risk</u>	<u>Foreign Exchange Risk</u>	<u>Interest Rate Risk</u>	<u>Equity Risk</u>
Future Contracts	—	—	— ⁽¹⁾	—

⁽¹⁾ Amount is less than 500.

D. Derivative Risks

A derivative contract may suffer a mark-to-market loss if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract.

A Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by such Fund. For OTC purchased options, each Fund bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by such Fund should the counterparty fail to perform under the contracts. Options written by a Fund do not typically give rise to counterparty credit risk, as options written generally obligate the Fund, and not the counterparty to perform.

With exchange traded purchased options and futures and centrally cleared swaps generally speaking, there is less counterparty credit risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, a Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Fund.

In order to better define its contractual rights and to secure rights that will help a Fund mitigate its counterparty risk, each Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between a Fund and a counterparty that governs certain OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, a Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event a Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA Master Agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty.

E. Collateral Requirements and Master Netting Agreements ("MNA")

For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark-to-market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Funds and the counterparty.

For financial reporting purposes, the Funds do not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statements of Assets and Liabilities.

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At December 31, 2017, the Funds' derivative assets and liabilities (by type) are as follows:

	Seix Total Return Bond Fund		Seix U.S. Government Securities Ultra-Short Bond Fund		Seix Ultra-Short Bond Fund	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivative Financial Instruments:						
Futures contracts	\$ —	\$ —	\$—	\$22	\$—	\$ 3
Forward foreign currency exchange contracts	1,155	1,885	—	—	—	—
Swaps	—	98	—	—	—	—
Total derivative assets and liabilities in the Statement of Assets and Liabilities	\$1,155	\$1,983	\$—	\$22	\$—	\$ 3
Derivatives not subject to a MNA or similar agreement	—	98	—	22	—	3
Total assets and liabilities subject to a MNA	\$1,155	\$1,885	\$—	\$—	\$—	\$—

The following tables present the Funds' derivative assets and liabilities by counterparty net of amounts available for offset under a MNA and net of the related collateral received/pledged by the Funds as of December 31, 2017.

Seix Total Return Bond Fund

Counterparty	Derivative Assets Subject to a MNA by Counterparty	Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Amount of Derivative Assets
JPMorgan Securities LLC.....	\$1,155	\$(1,155)	\$—	\$—	\$—
Total	\$1,155	\$(1,155)	\$—	\$—	\$—

Counterparty	Derivatives Liabilities Subject to a MNA by Counterparty	Derivatives Available for Offset	Non-cash Collateral Pledged	Cash Collateral Pledged	Net Amount of Derivative Liabilities ⁽¹⁾
JPMorgan Securities LLC.....	\$1,885	\$(1,155)	\$(730)	\$—	\$—
Total.....	\$1,885	\$(1,155)	\$(730)	\$—	\$—

⁽¹⁾ The value of the related collateral received (pledged) exceeded the value of the net position as of December 31, 2017.

Note 4. Investment Advisory Fees and Related Party Transactions

(\$ reported in thousands except as noted)

A. Investment Adviser

Virtus Fund Advisers, LLC (formerly, RidgeWorth Capital Management LLC) (the "Adviser"), an indirect, wholly owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"), is the investment adviser to the Funds. The Adviser manages the Funds' investment programs and general operations of the Funds, including oversight of the Funds' subadvisers.

As compensation for its services to the Funds, the Adviser is entitled to a fee based upon the following annual rates, which remained unchanged as a result of the RidgeWorth Reorganizations, as a percentage of the average daily net assets of each Fund:

Seix Core Bond Fund	0.25%
Seix Corporate Bond Fund	0.40
Seix Floating Rate High Income Fund.....	0.45
Seix Georgia Tax-Exempt Bond Fund	0.50
Seix High Grade Municipal Bond Fund.....	0.50
Seix High Income Fund	0.55

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Seix High Yield Fund	0.45
Seix Investment Grade Tax-Exempt Bond Fund	0.50
Seix Limited Duration Fund	0.10
Seix North Carolina Tax-Exempt Bond Fund	0.50
Seix Short-Term Bond Fund	0.40
Seix Short-Term Municipal Bond Fund	0.35
Seix Total Return Bond Fund	0.25
Seix U.S. Government Securities Ultra-Short Bond Fund	0.20
Seix U.S. Mortgage Fund	0.40
Seix Ultra-Short Bond Fund	0.22
Seix Virginia Intermediate Municipal Bond Fund	0.50

The above fees are also subject to breakpoint discounts at the following asset levels for each fund:

First \$500 million = none — no discount from full fee

Next \$500 million = 5% discount from full fee

Next \$4 billion = 10% discount from full fee

Over \$5 billion = 15% discount from full fee

B. Subadviser

Seix Investment Advisors LLC is the subadviser to the Funds. The subadviser manages the investments of each Fund, for which it is paid a fee by the Adviser.

C. Expense Limits and Fee Waivers

The Adviser has contractually agreed to limit the annual total operating expenses (excluding front-end or contingent deferred loads, taxes, leverage expenses, interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, unusual or infrequently occurring expenses (such as litigation), acquired fund fees and expenses, and dividend expenses, if any) of each Fund, so that such expenses do not exceed, on an annualized basis, the percentages of the applicable Fund's average daily net asset values as listed below through July 31, 2019.

<u>Fund</u>	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R</u>	<u>Class R6*</u>
Seix Core Bond Fund	0.64%	N/A%	0.50%	0.91%	0.36%
Seix Corporate Bond Fund	0.95	1.65	0.70	N/A	N/A
Seix Floating Rate High Income Fund	0.94	1.52	0.62	N/A	0.52
Seix Georgia Tax-Exempt Bond Fund	0.75	N/A	0.65	N/A	N/A
Seix High Grade Municipal Bond Fund	0.80	N/A	0.65	N/A	N/A
Seix High Income Fund	1.03	N/A	0.80	1.22	0.64
Seix High Yield Fund	0.82	N/A	0.64	1.04	0.53
Seix Investment Grade Tax-Exempt Bond Fund	0.80	N/A	0.65	N/A	N/A
Seix Limited Duration Fund	N/A	N/A	0.35	N/A	N/A
Seix North Carolina Tax-Exempt Bond Fund	0.80	N/A	0.65	N/A	N/A
Seix Short-Term Bond Fund	0.80	1.57	0.60	N/A	N/A
Seix Short-Term Municipal Bond Fund	0.65	N/A	0.48	N/A	N/A
Seix Total Return Bond Fund	0.70	N/A	0.46	1.06	0.31
Seix U.S. Government Securities Ultra-Short Bond Fund	N/A	N/A	0.41	N/A	0.26
Seix U.S. Mortgage Fund	0.90	1.65	0.70	N/A	N/A
Seix Ultra-Short Bond Fund	N/A	N/A	0.40	N/A	N/A
Seix Virginia Intermediate Municipal Bond Fund	0.79	N/A	0.65	N/A	N/A

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

For the period ended May 30, 2017 the Contractual Expense Limitations were as follows:

<u>Fund</u>	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R</u>	<u>Class R6*</u>
Seix Core Bond Fund	0.75%	N/A%	0.54%	1.05%	0.44%
Seix Floating Rate High Income Fund	1.00	1.60	0.72	N/A	0.60
Seix Georgia Tax-Exempt Bond Fund	0.80	N/A	0.65	N/A	N/A
Seix High Income Fund	1.10	N/A	0.85	1.50	0.70
Seix High Yield Fund	0.90	N/A	0.70	1.30	0.64
Seix Short-Term Bond Fund	0.80	1.58	0.60	N/A	N/A
Seix Short-Term Municipal Bond Fund	0.68	N/A	0.48	N/A	N/A
Seix Total Return Bond Fund	0.75	N/A	0.54	1.15	0.44
Seix U.S. Government Securities Ultra-Short Bond Fund	N/A	N/A	0.46	N/A	0.40

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<u>Fund</u>	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>	<u>Class R</u>	<u>Class R6*</u>
Seix Ultra-Short Bond Fund	N/A%	N/A%	0.46%	N/A%	N/A%
Seix Virginia Intermediate Municipal Bond Fund.....	0.80	N/A	0.65	N/A	N/A

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

D. Expense Recapture

Under certain conditions, the Adviser may recapture operating expenses reimbursed or fees waived under these arrangements, within three years after the date on which such amounts were incurred or waived. A 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 or, if none, the expense limitation in effect at the time of the waiver or reimbursement. All or a portion of the following Adviser reimbursed expenses may be recaptured by the fiscal year ending:

<u>Fund</u>	<u>Expires</u>			
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Seix Core Bond Fund				
Class A	\$ —	\$ —	\$ 10	10
Class I	—	—	115	115
Class R.....	—	—	3	3
Class R6	—	—	2	2
Seix Corporate Bond Fund				
Class A	1	1	2	4
Class C.....	9	14	18	41
Class I.....	11	23	47	81
Seix Floating Rate High Income Fund				
Class A	—	—	—	—
Class C.....	—	—	15	15
Class I.....	—	—	2,269	2,269
Class R6	—	—	709	709
Seix Georgia Tax-Exempt Bond Fund				
Class A	—	—	4	4
Class I.....	21	48	120	189
Seix High Grade Municipal Bond Fund				
Class A	—	—	7	7
Class I.....	37	56	102	195
Seix High Income Fund				
Class A	—	—	17	17
Class I.....	—	26	179	205
Class R.....	—	—	5	5
Class R6	—	—	3	3
Seix High Yield Fund				
Class A	—	—	4	4
Class I.....	—	—	263	263
Class R.....	—	—	— ⁽¹⁾	—
Class R6	—	—	26	26
Seix Investment Grade Tax-Exempt Bond Fund				
Class A	34	30	20	84
Class I.....	185	260	481	926
Seix Limited Duration Fund				
Class I.....	9	8	38	55
Seix North Carolina Tax-Exempt Bond Fund				
Class A	—	1	4	5
Class I.....	25	27	67	119
Seix Short-Term Bond Fund				
Class A	—	— ⁽¹⁾	7	7
Class C.....	—	—	2	2
Class I.....	41	42	83	166
Seix Short-Term Municipal Bond Fund				
Class A	1	4	5	10
Class I.....	38	54	90	182

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Fund	Expires			
	2018	2019	2020	Total
Seix Total Return Bond Fund				
Class A	\$ —	\$ —	\$ 18	18
Class I	—	—	349	349
Class R	—	—	—	—
Class R6*	—	—	78	78
Seix U.S. Government Securities Ultra-Short Bond Fund				
Class I	—	—	560	560
Class R6*	—	—	29	29
Seix U.S. Mortgage Fund				
Class A	18	6	16	40
Class C	10	2	5	17
Class I	20	33	64	117
Seix Ultra-Short Bond Fund				
Class I	—	—	74	74
Seix Virginia Intermediate Municipal Bond Fund				
Class A	—	—	6	6
Class I	26	29	81	136

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

(1) Amount is less than \$500.

E. Distributor

VP Distributors, LLC (“VP Distributors”), an indirect wholly-owned subsidiary of Virtus, serves as the distributor of each Fund’s shares. VP Distributors has advised the Funds that for the fiscal period ended December 31, 2017, it retained net commissions of \$7 for Class A shares and CDSC of \$0 and \$0 for Class A shares and Class C shares, respectively.

In addition, each Fund pays VP Distributors 12b-1 fees under a 12b-1 Plan as a percentage of the average daily net assets of each respective class at the annual rates as follows: Class A shares 0.25% (0.15% for Seix Georgia Tax-Exempt Bond Fund, Seix High Grade Municipal Bond Fund, Seix North Carolina Tax-Exempt Bond Fund, Seix Short-Term Municipal Bond Fund and Seix Virginia Intermediate Municipal Bond Fund, and 0.20% for Seix Short-Term Bond Fund and Seix U.S. Mortgage Fund); Class C shares 1.00%; Class R shares 0.50%; Class I shares and Class R6 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 NAV 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.

F. Administrator and Transfer Agent

Virtus Fund Services, LLC, an indirect, wholly owned subsidiary of Virtus, serves as the administrator and transfer agent to the Funds. For the period July 17, 2017 through December 31, 2017, the Funds incurred administration fees totaling \$6,929 which are included in the Statements of Operations within the line item “Administration fee.” For the period July 17, 2017 through December 31, 2017, the Funds incurred transfer agent fees totaling \$3,243 which are included in the Statements of Operations within the line item “Transfer agent fees and expenses.” A portion of these fees was paid to outside entities that also provide services to the Funds.

G. Affiliated Shareholders

At December 31, 2017, Virtus and its affiliates, and the retirement plans of Virtus and its affiliates, held shares of certain Funds which may be redeemed at any time, that aggregated to the following:

	Shares	Aggregate Net Asset Value
Seix Core Bond Fund		
Class R6*	177,110	\$ 1,883
Seix Floating Rate High Income Fund		
Class R6*	637,506	5,553
Seix Total Return Bond Fund		
Class R6*	1,379,365	14,373
Seix U.S. Government Securities Ultra-Short Bond Fund		
Class R6*	186,454	1,870

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

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H. Trustee Compensation

The Trust provides a deferred compensation plan for its Trustees who receive compensation from the Trust. Under the deferred compensation plan, Trustees may elect to defer all or a portion of their compensation. Amounts deferred are retained by the Trust, and then, to the extent permitted by the 1940 Act, in turn, may be invested in the shares of affiliated or unaffiliated mutual funds selected by the participating Trustees. Investments in such instruments are included in "Other Assets" on the Statement of Assets and Liabilities at December 31, 2017.

Note 5. Purchases and Sales of Securities

(\$ reported in thousands)

Purchases and sales of securities (excluding U.S. Government and agency securities and short-term securities) during the period ended December 31, 2017, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Seix Core Bond Fund	\$ 31,429	\$ 47,436
Seix Corporate Bond Fund	10,615	13,654
Seix Floating Rate High Income Fund.....	3,301,363	3,213,997
Seix Georgia Tax-Exempt Bond Fund	20,296	28,070
Seix High Grade Municipal Bond Fund.....	135,697	139,086
Seix High Income Fund	215,865	311,100
Seix High Yield Fund	194,989	250,897
Seix Investment Grade Tax-Exempt Bond Fund	654,817	682,101
Seix Limited Duration Fund.....	1,595	2,677
Seix North Carolina Tax-Exempt Bond Fund	6,340	8,910
Seix Short-Term Bond Fund	16,987	35,712
Seix Short-Term Municipal Bond Fund	20,512	16,292
Seix Total Return Bond Fund.....	201,182	287,869
Seix U.S. Government Securities Ultra-Short Bond Fund.....	291,429	229,872
Seix U.S. Mortgage Fund	2,049	1,535
Seix Ultra-Short Bond Fund	25,476	49,902
Seix Virginia Intermediate Municipal Bond Fund.....	14,954	25,266

The purchases and sales of long term U.S. Government and agency securities for the fiscal period ended December 31, 2017, were as follows:

	<u>Purchases</u>	<u>Sales</u>
Seix Core Bond Fund	\$ 241,861	\$ 236,133
Seix Corporate Bond Fund	3,305	4,738
Seix Limited Duration Fund	1,934	943
Seix Short-Term Bond Fund	32,513	57,113
Seix Total Return Bond Fund	1,158,953	1,184,611
Seix U.S. Government Securities Ultra-Short Bond Fund	364,393	419,401
Seix U.S. Mortgage Fund	19,562	20,018
Seix Ultra-Short Bond Fund	7,884	6,079

Note 6. Capital Share Transactions

(\$ reported in thousands)

Transactions in shares of capital stock, during the periods ended as indicated below, were as follows:

	<u>Seix Core Bond Fund</u>					
	<u>Fiscal</u>		<u>Year Ended</u>		<u>Year Ended</u>	
	<u>Period Ended</u>		<u>March 31, 2017</u>		<u>March 31, 2016</u>	
	<u>December 31, 2017⁽¹⁾</u>					
	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>	<u>SHARES</u>	<u>AMOUNT</u>
Class A						
Sale of shares	142	\$ 1,506	160	\$ 1,723	115	\$ 1,235
Shares Issued-Merger	—	—	—	—	312	3,363
Reinvestment of distributions	11	118	29	305	19	207
Shares repurchased	<u>(340)</u>	<u>(3,616)</u>	<u>(144)</u>	<u>(1,551)</u>	<u>(181)</u>	<u>(1,960)</u>
Net Increase / (Decrease)	<u>(187)</u>	<u>\$ (1,992)</u>	<u>45</u>	<u>\$ 477</u>	<u>265</u>	<u>\$ 2,845</u>

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Seix Core Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class I						
Sale of shares	3,207	\$ 34,123	3,326	\$ 36,165	3,774	\$ 40,653
Shares Issued-Merger	—	—	—	—	18,121	195,103
Reinvestment of distributions	272	2,900	749	7,981	515	5,532
Shares repurchased	(4,868)	(51,879)	(8,708)	(94,476)	(16,264)	(175,119)
Net Increase / (Decrease)	<u>(1,389)</u>	<u>\$ (14,856)</u>	<u>(4,633)</u>	<u>\$ (50,330)</u>	<u>6,146</u>	<u>\$ 66,169</u>
Class R						
Sale of shares	31	\$ 331	27	\$ 293	63	\$ 682
Shares Issued-Merger	—	—	—	—	1	15
Reinvestment of distributions	3	35	10	107	7	77
Shares repurchased	(33)	(355)	(59)	(632)	(70)	(760)
Net Increase / (Decrease)	<u>1</u>	<u>\$ 11</u>	<u>(22)</u>	<u>\$ (232)</u>	<u>1</u>	<u>\$ 14</u>
Class R6*						
Sale of shares	217	\$ 2,323	122	\$ 1,335	2	\$ 25
Reinvestment of distributions	4	42	4	42	—	—
Shares repurchased	(41)	(438)	(1)	(6)	—	(3)
Net Increase / (Decrease)	<u>180</u>	<u>\$ 1,927</u>	<u>125</u>	<u>\$ 1,371</u>	<u>2</u>	<u>\$ 22</u>

Seix Corporate Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	20	\$ 173	95	\$ 843	41	\$ 345
Reinvestment of distributions	2	13	2	13	3	22
Shares repurchased	(49)	(423)	(87)	(762)	(74)	(637)
Net Increase / (Decrease)	<u>(27)</u>	<u>\$ (237)</u>	<u>10</u>	<u>\$ 94</u>	<u>(30)</u>	<u>\$ (270)</u>
Class C						
Sale of shares	9	\$ 81	12	\$ 106	39	\$ 328
Reinvestment of distributions	24	210	26	223	43	356
Shares repurchased	(138)	(1,215)	(144)	(1,246)	(162)	(1,369)
Net Increase / (Decrease)	<u>(105)</u>	<u>\$ (924)</u>	<u>(106)</u>	<u>\$ (917)</u>	<u>(80)</u>	<u>\$ (685)</u>
Class I						
Sale of shares	131	\$ 1,154	828	\$ 7,180	332	\$ 2,875
Reinvestment of distributions	42	366	47	409	66	560
Shares repurchased	(674)	(5,954)	(469)	(4,092)	(2,043)	(17,747)
Net Increase / (Decrease)	<u>(501)</u>	<u>\$ (4,434)</u>	<u>406</u>	<u>\$ 3,497</u>	<u>(1,645)</u>	<u>\$ (14,312)</u>

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Seix Floating Rate High Income Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	3,509	\$ 30,655	7,680	\$ 66,617	8,170	\$ 70,528
Reinvestment of distributions	415	3,623	705	6,095	716	6,118
Shares repurchased	(6,387)	(55,749)	(10,072)	(87,425)	(8,337)	(71,544)
Net Increase / (Decrease)	<u>(2,463)</u>	<u>\$ (21,471)</u>	<u>(1,687)</u>	<u>\$ (14,713)</u>	<u>549</u>	<u>\$ 5,102</u>
Class C						
Sale of shares	738	\$ 6,434	1,370	\$ 11,881	1,196	\$ 10,336
Reinvestment of distributions	137	1,199	203	1,758	201	1,719
Shares repurchased	(1,460)	(12,746)	(1,690)	(14,592)	(2,045)	(17,473)
Net Increase / (Decrease)	<u>(585)</u>	<u>\$ (5,113)</u>	<u>(117)</u>	<u>\$ (953)</u>	<u>(648)</u>	<u>\$ (5,418)</u>
Class I						
Sale of shares	138,184	\$ 1,206,418	289,064	\$ 2,509,599	170,340	\$ 1,471,672
Reinvestment of distributions	14,356	125,246	15,590	134,820	20,764	178,035
Shares repurchased	(139,520)	(1,217,362)	(160,237)	(1,379,328)	(508,778)	(4,367,322)
Net Increase / (Decrease)	<u>13,020</u>	<u>\$ 114,302</u>	<u>144,417</u>	<u>\$ 1,265,091</u>	<u>(317,674)</u>	<u>\$ (2,717,615)</u>
Class R6*						
Sale of shares	47,124	\$ 411,562	84,999	\$ 737,727	224,293	\$ 1,966,663
Reinvestment of distributions	3,094	27,019	3,072	26,613	1,964	16,666
Shares repurchased	(52,785)	(460,939)	(74,014)	(639,567)	(92,407)	(778,963)
Net Increase / (Decrease)	<u>(2,567)</u>	<u>\$ (22,358)</u>	<u>14,057</u>	<u>\$ 124,773</u>	<u>133,850</u>	<u>\$ 1,204,366</u>

Seix Georgia Tax-Exempt Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	5	\$ 50	14	\$ 147	18	\$ 191
Reinvestment of distributions	7	80	13	138	8	84
Shares repurchased	(62)	(654)	(22)	(241)	(30)	(320)
Net Increase / (Decrease)	<u>(50)</u>	<u>\$ (524)</u>	<u>5</u>	<u>\$ 44</u>	<u>(4)</u>	<u>\$ (45)</u>
Class I						
Sale of shares	588	\$ 6,223	1,619	\$ 17,390	2,113	\$ 22,740
Reinvestment of distributions	220	2,331	382	4,085	282	3,045
Shares repurchased	(1,423)	(15,042)	(3,068)	(32,727)	(4,712)	(50,879)
Net Increase / (Decrease)	<u>(615)</u>	<u>\$ (6,488)</u>	<u>(1,067)</u>	<u>\$ (11,252)</u>	<u>(2,317)</u>	<u>\$ (25,094)</u>

Seix High Grade Municipal Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	82	\$ 973	203	\$ 2,544	191	\$ 2,332
Reinvestment of distributions	15	182	57	673	31	378
Shares repurchased	(462)	(5,496)	(342)	(4,168)	(432)	(5,267)
Net Increase / (Decrease)	<u>(365)</u>	<u>\$ (4,341)</u>	<u>(82)</u>	<u>\$ (951)</u>	<u>(210)</u>	<u>\$ (2,557)</u>

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Seix High Grade Municipal Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class I						
Sale of shares	945	\$ 11,233	2,707	\$ 32,497	3,082	\$ 37,611
Reinvestment of distributions	110	1,304	355	4,179	189	2,310
Shares repurchased	(1,451)	(17,194)	(4,399)	(52,781)	(2,990)	(36,572)
Net Increase / (Decrease)	(396)	\$ (4,657)	(1,337)	\$ (16,105)	281	\$ 3,349

Seix High Income Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	1,524	\$ 9,892	9,702	\$ 61,422	4,031	\$ 25,895
Reinvestment of distributions	258	1,678	444	2,825	497	3,085
Shares repurchased	(7,013)	(45,526)	(7,716)	(48,627)	(6,945)	(43,755)
Net Increase / (Decrease)	(5,231)	\$ (33,956)	2,430	\$ 15,620	(2,417)	\$ (14,775)
Class I						
Sale of shares	17,529	\$ 113,774	36,932	\$ 233,696	53,888	\$ 337,896
Reinvestment of distributions	2,947	19,166	4,836	30,650	6,491	40,140
Shares repurchased	(31,340)	(203,598)	(63,396)	(399,905)	(80,951)	(498,500)
Net Increase / (Decrease)	(10,864)	\$ (70,658)	(21,628)	\$ (135,559)	(20,572)	\$ (120,464)
Class R						
Sale of shares	119	\$ 774	422	\$ 2,687	359	\$ 2,220
Reinvestment of distributions	83	543	129	822	161	997
Shares repurchased	(614)	(3,990)	(738)	(4,668)	(1,187)	(7,386)
Net Increase / (Decrease)	(412)	\$ (2,673)	(187)	\$ (1,159)	(667)	\$ (4,169)
Class R6*						
Sale of shares	571	\$ 3,709	3,829	\$ 23,657	679	\$ 4,521
Reinvestment of distributions	29	187	157	997	42	268
Shares repurchased	(334)	(2,169)	(3,536)	(22,677)	(1,050)	(6,289)
Net Increase / (Decrease)	266	\$ 1,727	450	\$ 1,977	(329)	\$ (1,500)

Seix High Yield Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	407	\$ 3,348	584	\$ 4,707	1,827	\$ 14,701
Reinvestment of distributions	20	167	36	285	49	392
Shares repurchased	(603)	(4,947)	(839)	(6,679)	(1,848)	(14,844)
Net Increase / (Decrease)	(176)	\$ (1,432)	(219)	\$ (1,687)	28	\$ 249
Class I						
Sale of shares	7,644	\$ 64,282	26,285	\$ 215,421	41,766	\$ 344,971
Reinvestment of distributions	1,888	15,904	2,744	22,584	2,678	21,785
Shares repurchased	(19,342)	(162,739)	(38,319)	(314,503)	(57,055)	(463,492)
Net Increase / (Decrease)	(9,810)	\$ (82,553)	(9,290)	\$ (76,498)	(12,611)	\$ (96,736)

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Seix High Yield Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class R						
Sale of shares	— ⁽²⁾	\$ —	—	\$ —	2	\$ 18
Reinvestment of distributions	1	5	2	14	4	34
Shares repurchased	(2)	(17)	(60)	(484)	(23)	(193)
Net Increase / (Decrease)	<u>(1)</u>	<u>\$ (12)</u>	<u>(58)</u>	<u>\$ (470)</u>	<u>(17)</u>	<u>\$ (141)</u>
Class R6*						
Sale of shares	263	\$ 2,219	5,141	\$ 42,159	—	\$ —
Reinvestment of distributions	158	1,329	78	649	—	—
Shares repurchased	(171)	(1,442)	(118)	(971)	—	—
Net Increase / (Decrease)	<u>250</u>	<u>\$ 2,106</u>	<u>5,101</u>	<u>\$ 41,837</u>	<u>—</u>	<u>\$ —</u>

Seix Investment Grade Tax-Exempt Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	50	\$ 595	90	\$ 1,088	270	\$ 3,278
Reinvestment of distributions	20	239	70	826	62	749
Shares repurchased	(869)	(10,243)	(451)	(5,429)	(693)	(8,422)
Net Increase / (Decrease)	<u>(799)</u>	<u>\$ (9,409)</u>	<u>(291)</u>	<u>\$ (3,515)</u>	<u>(361)</u>	<u>\$ (4,395)</u>
Class I						
Sale of shares	5,989	\$ 70,386	16,053	\$ 191,642	13,027	\$ 158,312
Reinvestment of distributions	764	8,968	2,015	23,781	1,590	19,300
Shares repurchased	(11,870)	(139,341)	(24,907)	(295,166)	(16,652)	(202,281)
Net Increase / (Decrease)	<u>(5,117)</u>	<u>\$ (59,987)</u>	<u>(6,839)</u>	<u>\$ (79,743)</u>	<u>(2,035)</u>	<u>\$ (24,669)</u>

Seix Limited Duration Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class I						
Sale of shares	14	\$ 135	—	\$ —	—	\$ —
Reinvestment of distributions	—	1	—	—	—	—
Shares repurchased	(1)	(15)	—	—	—	—
Net Increase / (Decrease)	<u>13</u>	<u>\$ 121</u>	<u>—</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>

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Seix North Carolina Tax-Exempt Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	7	\$ 73	209	\$ 2,227	4	\$ 40
Reinvestment of distributions	2	17	7	67	1	15
Shares repurchased	(84)	(848)	(46)	(455)	(34)	(356)
Net Increase / (Decrease)	(75)	\$ (758)	170	\$ 1,839	(29)	\$ (301)
Class I						
Sale of shares	248	\$ 2,519	732	\$ 7,454	844	\$ 8,795
Reinvestment of distributions	47	478	114	1,156	23	236
Shares repurchased	(406)	(4,125)	(1,384)	(14,089)	(1,697)	(17,671)
Net Increase / (Decrease)	(111)	\$ (1,128)	(538)	\$ (5,479)	(830)	\$ (8,640)

Seix Short-Term Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	9	\$ 84	48	\$ 481	39	\$ 390
Reinvestment of distributions	1	14	1	13	1	11
Shares repurchased	(19)	(185)	(28)	(279)	(62)	(614)
Net Increase / (Decrease)	(9)	\$ (87)	21	\$ 215	(22)	\$ (213)
Class C						
Sale of shares	23	\$ 229	9	\$ 87	34	\$ 339
Reinvestment of distributions	—	3	—	—	—	—
Shares repurchased	(28)	(279)	(51)	(509)	(33)	(328)
Net Increase / (Decrease)	(5)	\$ (47)	(42)	\$ (422)	1	\$ 11
Class I						
Sale of shares	808	\$ 8,019	1,738	\$ 17,312	2,020	\$ 20,070
Reinvestment of distributions	22	218	37	367	28	281
Shares repurchased	(5,269)	(52,322)	(1,516)	(15,114)	(2,145)	(21,317)
Net Increase / (Decrease)	(4,439)	\$ (44,085)	259	\$ 2,565	(97)	\$ (966)

Seix Short-Term Municipal Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	53	\$ 528	21	\$ 210	451	\$ 4,499
Reinvestment of distributions	1	10	2	18	2	20
Shares repurchased	(58)	(579)	(578)	(5,742)	(103)	(1,024)
Net Increase / (Decrease)	(4)	\$ (41)	(555)	\$ (5,514)	350	\$ 3,495

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Seix Short-Term Municipal Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class I						
Sale of shares	937	\$ 9,338	1,181	\$ 11,750	953	\$ 9,508
Reinvestment of distributions	12	116	12	114	7	73
Shares repurchased	(481)	(4,787)	(1,728)	(17,210)	(1,603)	(16,005)
Net Increase / (Decrease)	468	\$ 4,667	(535)	\$ (5,346)	(643)	\$ (6,424)

Seix Total Return Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	256	\$ 2,775	489	\$ 5,404	462	\$ 5,048
Reinvestment of distributions	22	235	80	869	55	602
Shares repurchased	(1,583)	(17,214)	(972)	(10,769)	(1,488)	(16,201)
Net Increase / (Decrease)	(1,305)	\$ (14,204)	(403)	\$ (4,496)	(971)	\$ (10,551)
Class I						
Sale of shares	9,963	\$ 104,413	23,029	\$ 245,458	24,445	\$ 258,434
Reinvestment of distributions	1,113	11,666	2,937	30,888	1,896	20,024
Shares repurchased	(21,632)	(226,876)	(41,093)	(438,060)	(25,707)	(271,413)
Net Increase / (Decrease)	(10,556)	\$ (110,797)	(15,127)	\$ (161,714)	634	\$ 7,045
Class R						
Sale of shares	297	\$ 3,111	683	\$ 7,286	795	\$ 8,397
Reinvestment of distributions	40	423	136	1,422	78	819
Shares repurchased	(1,065)	(11,149)	(1,749)	(18,551)	(2,150)	(22,714)
Net Increase / (Decrease)	(728)	\$ (7,615)	(930)	\$ (9,843)	(1,277)	\$ (13,498)
Class R6*						
Sale of shares	5,870	\$ 61,786	5,600	\$ 59,720	2,409	\$ 25,425
Reinvestment of distributions	180	1,889	318	3,323	141	1,491
Shares repurchased	(1,820)	(19,125)	(1,484)	(15,706)	(3,939)	(41,630)
Net Increase / (Decrease)	4,230	\$ 44,550	4,434	\$ 47,337	(1,389)	\$ (14,714)

Seix U.S. Government Securities Ultra-Short Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended December 31, 2017 ⁽¹⁾		March 31, 2017		March 31, 2016	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class I						
Sale of shares	35,471	\$ 355,547	50,879	\$ 510,268	69,731	\$ 702,624
Reinvestment of distributions	1,196	11,988	1,293	12,962	1,083	10,909
Shares repurchased	(38,900)	(389,928)	(71,148)	(713,432)	(80,130)	(807,576)
Net Increase / (Decrease)	(2,233)	\$ (22,393)	(18,976)	\$ (190,202)	(9,316)	\$ (94,043)

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Seix U.S. Government Securities Ultra-Short Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017 ⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class R6*						
Sale of shares	5,174	\$ 51,935	4,059	\$ 40,750	—	\$ —
Reinvestment of distributions	51	512	7	71	—	—
Shares repurchased	(4,182)	(41,965)	(814)	(8,168)	—	—
Net Increase / (Decrease)	1,043	\$ 10,482	3,252	\$ 32,653	—	\$ —

Seix U.S. Mortgage Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017 ⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	14	\$ 156	111	\$ 1,252	184	\$ 2,067
Shares Issued-Merger	—	—	—	—	49	551
Reinvestment of distributions	4	43	11	121	8	88
Shares repurchased	(111)	(1,235)	(378)	(4,187)	(122)	(1,363)
Net Increase / (Decrease)	(93)	\$ (1,036)	(256)	\$ (2,814)	119	\$ 1,343
Class C						
Sale of shares	2	\$ 27	6	\$ 63	72	\$ 809
Shares Issued-Merger	—	—	—	—	105	1,177
Reinvestment of distributions	4	38	5	55	4	40
Shares repurchased	(58)	(642)	(107)	(1,205)	(50)	(558)
Net Increase / (Decrease)	(52)	\$ (577)	(96)	\$ (1,087)	131	\$ 1,468
Class I						
Sale of shares	379	\$ 4,236	309	\$ 3,480	912	\$ 10,270
Shares Issued-Merger	—	—	—	—	1,506	16,906
Reinvestment of distributions	27	300	40	449	26	288
Shares repurchased	(283)	(3,162)	(975)	(10,975)	(554)	(6,241)
Net Increase / (Decrease)	123	\$ 1,374	(626)	\$ (7,046)	1,890	\$ 21,223

Seix Ultra-Short Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017 ⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class I						
Sale of shares	1,464	\$ 14,594	8,013	\$ 79,739	3,877	\$ 38,499
Reinvestment of distributions	64	638	97	966	79	785
Shares repurchased	(4,327)	(43,118)	(9,911)	(98,619)	(7,695)	(76,494)
Net Increase / (Decrease)	(2,799)	\$ (27,886)	(1,801)	\$ (17,914)	(3,739)	\$ (37,210)

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Seix Virginia Intermediate Municipal Bond Fund

	Fiscal		Year Ended		Year Ended	
	Period Ended		March 31, 2017		March 31, 2016	
	December 31, 2017 ⁽¹⁾					
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
Class A						
Sale of shares	30	\$ 284	39	\$ 383	16	\$ 161
Reinvestment of distributions	11	104	19	187	21	207
Shares repurchased	(68)	(653)	(112)	(1,102)	(106)	(1,074)
Net Increase / (Decrease)	<u>(27)</u>	<u>\$ (265)</u>	<u>(54)</u>	<u>\$ (532)</u>	<u>(69)</u>	<u>\$ (706)</u>
Class I						
Sale of shares	532	\$ 5,124	1,488	\$ 14,610	1,119	\$ 11,308
Reinvestment of distributions	37	357	106	1,024	117	1,165
Shares repurchased	(1,434)	(13,817)	(3,206)	(31,087)	(6,446)	(65,333)
Net Increase / (Decrease)	<u>(865)</u>	<u>\$ (8,336)</u>	<u>(1,612)</u>	<u>\$ (15,453)</u>	<u>(5,210)</u>	<u>\$ (52,860)</u>

* On September 18, 2017, Class IS shares were renamed Class R6 shares.

⁽¹⁾ Period from April 1, 2017 to December 31, 2017. The Fund had a fiscal period end change from March 31 to December 31.

⁽²⁾ Shares are less than 500.

Note 7. 10% Shareholders

As of December 31, 2017, certain Funds had individual shareholder account(s) and/or omnibus shareholder account(s) (comprised of a group of individual shareholders), which individually amounted to more than 10% of the total shares outstanding of each such Fund as detailed below:

	<u>% of Shares Outstanding</u>	<u>Number of Accounts</u>
Seix Core Bond Fund	62%	2
Seix Corporate Bond Fund	84	3
Seix Floating Rate High Income Fund	31	1
Seix Georgia Tax-Exempt Bond Fund	91	2
Seix High Grade Municipal Bond Fund	45	1
Seix High Income Fund	57	1
Seix High Yield Fund	49	1
Seix Investment Grade Tax-Exempt Bond Fund	71	2
Seix Limited Duration Fund	98	1
Seix North Carolina Tax-Exempt Bond Fund	83	2
Seix Short-Term Bond Fund	45	2
Seix Short-Term Municipal Bond Fund	40	2
Seix Total Return Bond Fund	47	2
Seix U.S. Government Securities Ultra-Short Bond Fund	56	1
Seix U.S. Mortgage Fund	68	2
Seix Ultra-Short Bond Fund	65	3
Seix Virginia Intermediate Municipal Bond Fund	68	3

Note 8. Credit Risk and Asset Concentration

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.

High-yield/high-risk securities typically entail greater price volatility and/or principal and interest rate risk. There is a greater chance that an issuer will not be able to make principal and interest payments on time. Analysis of the creditworthiness of issuers of high-yield/high-risk securities may be complex, and as a result, it may be more difficult for the Adviser and/or subadviser to accurately predict risk.

Many municipalities insure repayment for their obligations. Although bond insurance reduces the risk of loss due to default by an issuer, such bonds remain subject to the risk that the market may fluctuate for other reasons, and there is no assurance that the insurance company will meet its obligations. Insured securities have been identified in the Schedule of Investments. A real or perceived decline in creditworthiness of a bond insurer can have an adverse impact on the value of insured bonds held in the Funds.

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

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At December 31, 2017, the following Fund held securities issued by various companies in specific sector(s) as detailed below:

<u>Fund</u>	<u>Sector</u>	<u>Percentage of Total Investments</u>
Seix Corporate Bond Fund	Financials	34%

Note 9. Indemnifications

Under the Trust's organizational documents and in separate agreements between each Trustee and the Trust, its Trustees and officers are indemnified against certain liabilities arising out of the performance of their duties to the Trust and its funds. In addition, in the normal course of business, the Funds enter into contracts that provide a variety of indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds and that have not occurred. However, the Funds have not had prior claims or losses pursuant to these arrangements, and they expect the risk of loss to be remote.

Note 10. Illiquid and Restricted Securities

Investments are generally considered illiquid if they cannot be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the Funds. Additionally, the following information is also considered in determining liquidity: the frequency of trades and quotes for the investment, whether the investment is listed for trading on a recognized domestic exchange and/or whether two or more brokers are willing to purchase or sell the security at a comparable price, the extent of market making activity in the investment and the nature of the market for investment. Illiquid securities are footnoted as such at the end of each Fund's Schedule of Investments, where applicable. However, a portion of such footnoted securities could be liquid where it is determined that some, though not all, of the position could be disposed of within seven days in the ordinary course of business at the approximate amount at which such securities have been valued by the applicable Fund.

Restricted securities are illiquid securities, as defined above, not registered under the Securities Act of 1933, as amended (the "1933 Act"). Generally, 144A securities are excluded from this category, except where defined as illiquid.

Each Fund will bear any costs, including those involved in registration under the 1933 Act, in connection with the disposition of such securities.

The following Funds held securities considered to be illiquid at December 31, 2017:

<u>Fund</u>	<u>Aggregate Value</u>	<u>% of Fund's net assets</u>
Seix Floating Rate High Income Fund.....	\$81,516	1.4%
Seix High Income Fund	6,801	1.6
Seix High Yield Fund	3,777	0.8

At December 31, 2017, the Funds did not hold any securities that were both illiquid and restricted.

Note 11. Borrowings

(\$ reported in thousands)

On September 22, 2017, the Funds terminated a committed unsecured revolving line of credit agreement ("LOC") with a syndicate of banks which included State Street Bank and Trust Company ("State Street Bank") and Royal Bank of Canada ("RBC"), in the aggregate amount of \$200,000,000. The proceeds were permitted to be used only to (1) temporarily finance the purchase and sale of securities; or (2) finance the redemption of shares of the Funds. The Funds paid a commitment fee on a pro rata basis to State Street Bank and RBC, in the amount of 0.17% per annum on the daily unused portion of the LOC. Borrowings under the LOC accrued interest at the higher of (a) the Federal Funds Rate, or (b) the one-month LIBOR, plus 1.25% per annum. Generally, repayments were required to be made within 60 days of the borrowings. Commitment fees and interest expense paid to State Street Bank and RBC pursuant to this agreement are reflected on the Statements of Operations as a component of Miscellaneous Expenses.

The following Funds had an outstanding loan during the period. The borrowings were valued at cost, which approximates fair value.

<u>Fund</u>	<u>Interest Incurred on Borrowing</u>	<u>Average Dollar Amount of Borrowing</u>	<u>Weighted Average Interest Rate on Borrowing</u>	<u>Days Loan was Open</u>
Seix High Income Fund	\$— ⁽¹⁾	\$1,373	2.48%	1
Seix High Yield Fund	— ⁽¹⁾	1,602	2.46	1
Seix Limited Duration Fund.....	— ⁽¹⁾	249	2.30	4

⁽¹⁾ Amount is less than \$500.

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On September 18, 2017, the Funds and other affiliated funds entered into a \$250,000,000 unsecured line of credit of which \$100,000,000 is available for utilization by the Seix Floating Rate High Income Fund and the remaining \$150,000,000 is available for utilization by the remaining Funds and other affiliated funds. This line of credit is with a commercial bank and allows the Funds to borrow cash from the bank to manage large unexpected redemptions and trade fails, up to a limit of one-third or one-fifth of each Fund's total net assets in accordance with the terms of the agreement. This line of credit has a term of 364 days. Interest is charged at the higher of the LIBOR or the Federal Funds rate plus an additional percentage rate on the amount borrowed. Commitment fees are charged on the undrawn balance. The Funds and other affiliated funds that are parties are individually, and not jointly, liable for their particular advances, if any, under the line of credit. The lending bank has the ability to require repayment of outstanding borrowings under this line of credit upon certain circumstances such as an event of default.

The Funds had no outstanding borrowings as of December 31, 2017.

Note 12. Federal Income Tax Information
(\$ reported in thousands)

At December 31, 2017, federal tax cost and aggregate gross unrealized appreciation (depreciation) of securities held by the Funds were as follows:

<u>Fund</u>	<u>Federal tax cost</u>	<u>Unrealized Appreciation</u>	<u>Unrealized (Depreciation)</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
Seix Core Bond Fund	\$ 201,552	\$ 1,816	\$ (951)	\$ 865
Seix Corporate Bond Fund	15,190	403	(64)	339
Seix Floating Rate High Income Fund.....	6,323,325	45,668	(122,668)	(77,000)
Seix Georgia Tax-Exempt Bond Fund.....	84,096	3,571	(49)	3,522
Seix High Grade Municipal Bond Fund.....	81,012	2,511	(63)	2,448
Seix High Income Fund	431,228	16,878	(10,974)	5,904
Seix High Yield Fund	440,364	13,964	(6,828)	7,136
Seix Investment Grade Tax-Exempt Bond Fund	464,339	10,639	(345)	10,294
Seix Limited Duration Fund.....	6,794	12	— ⁽¹⁾	12
Seix North Carolina Tax-Exempt Bond Fund	21,183	695	(9)	686
Seix Short-Term Bond Fund	11,379	—	(53)	(53)
Seix Short-Term Municipal Bond Fund	32,745	40	(115)	(75)
Seix Total Return Bond Fund.....	866,764	11,531	(6,638)	4,893
Seix U.S. Government Securities Ultra-Short Bond Fund.....	1,389,509	5,765	(1,486)	4,279
Seix U.S. Mortgage Fund.....	25,171	103	(106)	(3)
Seix Ultra-Short Bond Fund	59,298	116	(63)	53
Seix Virginia Intermediate Municipal Bond Fund.....	39,259	1,330	(36)	1,294

⁽¹⁾ Amount is less than \$500.

Certain Funds have capital loss carryforwards available to offset future realized capital gains, through the indicated expiration dates shown below:

	<u>2018</u>		<u>No Expiration</u>		<u>Total</u>	
	<u>Short - Term</u>	<u>Long-Term</u>	<u>Short - Term</u>	<u>Long-Term</u>	<u>Short - Term</u>	<u>Long-Term</u>
Seix Core Bond Fund.....	\$ —	\$—	\$ 1,358	\$ —	\$ 1,358	\$ —
Seix Floating Rate High Income Fund.....	—	—	52,846	190,139	52,846	190,139
Seix High Income Fund	—	—	19,716	61,059	19,716	61,059
Seix High Yield Fund	—	—	16,531	43,101	16,531	43,101
Seix Short-Term Bond Fund	—	—	133	—	133	—
Seix Total Return Bond Fund	—	—	9,701	—	9,701	—
Seix U.S. Government Securities Ultra-Short Bond Fund.....	8,408	—	5,357	—	13,765	—
Seix U.S. Mortgage Fund	—	—	63	—	63	—
Seix Ultra-Short Bond Fund.....	451	—	—	—	451	—

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

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.

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For the period ended December 31, 2017, the following Funds utilized losses deferred in prior years against current year capital gains:

Fund	
Seix Floating Rate High Income Fund	\$18,416
Seix High Income Fund	6,705
Seix High Yield Fund	4,407
Seix Limited Duration Fund	8
Seix U.S. Government Securities Ultra-Short Bond Fund	1,418
Seix Ultra-Short Bond Fund	193

The Seix Limited Duration Bond Fund, Seix Short-Term Bond Fund, and Seix Ultra-Short Bond Fund had \$809, \$1,102, and \$1,320, respectively, of capital loss carryovers which expired during the fiscal year.

Capital losses realized after October 31 and certain late year losses may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal period ended December 31, 2017, certain Funds deferred and recognized qualified late year losses as follows:

	Late Year Ordinary Losses Deferred	Late Year Ordinary Losses Recognized	Capital Loss Deferred	Capital Loss Recognized
Seix Core Bond Fund	\$ —	\$—	\$ 9	\$ 2,845
Seix Corporate Bond Fund	—	—	—	— ⁽¹⁾
Seix Floating Rate High Income Fund	—	—	25,499	—
Seix Georgia Tax-Exempt Bond Fund	—	—	—	296
Seix High Grade Municipal Bond Fund	—	—	—	1,075
Seix Investment Grade Tax-Exempt Bond Fund	—	—	—	6,548
Seix North Carolina Tax-Exempt Bond Fund	—	—	—	168
Seix Short-Term Bond Fund	—	—	26	89
Seix Short-Term Municipal Bond Fund	—	—	—	9
Seix Total Return Bond Fund	398	—	339	14,587
Seix U.S. Mortgage Fund	—	—	—	109
Seix Virginia Intermediate Municipal Bond Fund	—	—	—	472

⁽¹⁾ Amount is less than \$500

The components of distributable earnings on a tax basis (excluding unrealized appreciation (depreciation) which are disclosed above) consist of the following:

	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Undistributed Tax-Exempt Income
Seix Corporate Bond Fund	\$ 28	\$ 5	\$ —
Seix Floating Rate High Income Fund	2,762	—	—
Seix Georgia Tax-Exempt Bond Fund	—	188	193
Seix High Grade Municipal Bond Fund	17	379	—
Seix Investment Grade Tax-Exempt Bond Fund	—	2,554	—
Seix Short-Term Municipal Bond Fund	2	1	—
Seix Virginia Intermediate Municipal Bond Fund	—	268	20

For the fiscal year ended December 31, 2017, the Seix Georgia Tax-Exempt Bond Fund, Seix High Grade Municipal Bond Fund, Seix Investment Grade Tax-Exempt Bond Fund, Seix North Carolina Tax-Exempt Bond Fund, Seix Short-Term Municipal Bond Fund, and Seix Virginia Intermediate Bond Fund distributed \$1,954, \$1,623, \$10,178, \$387, \$213, and \$838 of exempt interest dividends, respectively.

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. Distributions are determined on a tax basis and may differ from net investment income and realized capital gains for financial reporting purposes.

VIRTUS ASSET TRUST
DECEMBER 31, 2017

The tax character of dividends and distributions paid during the fiscal periods ended December 31, 2017, March 31, 2017 and March 31, 2016 were as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Tax-Exempt Distributions</u>	<u>Return of Capital</u>	<u>Total</u>
Seix Core Bond Fund					
12/31/17	\$ 2,693	\$ —	\$ —	\$ 598	\$ 3,291
3/31/17	7,693	1,389	—	—	9,082
3/31/16	5,472	1,299	—	—	6,771
Seix Corporate Bond Fund					
12/31/17	362	238	—	—	600
3/31/17	594	76	—	—	670
3/31/16	671	272	—	26	969
Seix Floating Rate High Income Fund					
12/31/17	199,059	—	—	—	199,059
3/31/17	223,778	—	—	—	223,778
3/31/16	267,194	—	—	—	267,194
Seix Georgia Tax-Exempt Bond Fund					
12/31/17	— ⁽¹⁾	486	1,954	—	2,440
3/31/17	73	1,344	2,882	—	4,299
3/31/16	—	—	3,197	—	3,197
Seix High Grade Municipal Bond Fund					
12/31/17	5	91	1,623	—	1,719
3/31/17	2,783	827	2,237	—	5,847
3/31/16	1,029	102	2,518	—	3,649
Seix High Income Fund					
12/31/17	21,882	—	—	187	22,069
3/31/17	36,270	—	—	—	36,270
3/31/16	47,227	—	—	—	47,227
Seix High Yield Fund					
12/31/17	18,643	—	—	1,286	19,929
3/31/17	31,050	—	—	—	31,050
3/31/16	37,383	—	—	—	37,383
Seix Investment Grade Tax-Exempt Bond Fund					
12/31/17	—	218	10,179	—	10,397
3/31/17	10,668	2,775	14,256	—	27,699
3/31/16	2,968	4,456	15,144	—	22,568
Seix Limited Duration Fund					
12/31/17	62	—	—	—	62
3/31/17	44	—	—	—	44
3/31/16	17	—	—	—	17
Seix North Carolina Tax-Exempt Bond Fund					
12/31/17	— ⁽¹⁾	170	386	—	556
3/31/17	17	640	644	—	1,301
3/31/16	—	169	764	—	933
Seix Short-Term Bond Fund					
12/31/17	248	—	—	24	272
3/31/17	432	—	—	—	432
3/31/16	351	—	—	—	351
Seix Short-Term Municipal Bond Fund					
12/31/17	20	—	213	—	233
3/31/17	41	—	244	—	285
3/31/16	31	55	165	—	251
Seix Total Return Bond Fund					
12/31/17	9,498	—	—	4,924	14,422
3/31/17	31,312	5,767	—	—	37,079
3/31/16	22,219	1,185	—	—	23,404

VIRTUS ASSET TRUST
DECEMBER 31, 2017

	<u>Ordinary Income</u>	<u>Long-Term Capital Gains</u>	<u>Tax-Exempt Distributions</u>	<u>Return of Capital</u>	<u>Total</u>
Seix U.S. Government Securities Ultra-Short Bond Fund					
12/31/17	\$ 12,460	\$ —	\$ —	\$1,839	\$ 14,299
3/31/17	14,626	—	—	—	14,626
3/31/16	12,422	—	—	—	12,422
Seix U.S. Mortgage Fund					
12/31/17	245	—	—	143	388
3/31/17	532	102	—	—	634
3/31/16	421	—	—	—	421
Seix Ultra-Short Bond Fund					
12/31/17	740	—	—	—	740
3/31/17	1,126	—	—	—	1,126
3/31/16	925	—	—	—	925
Seix Virginia Intermediate Municipal Bond Fund					
12/31/17	—	559	838	—	1,397
3/31/17	631	1,148	1,538	—	3,317
3/31/16	118	1,944	2,408	—	4,470

⁽¹⁾ Amount is less than \$500.

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. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to capital paid in on shares of beneficial interest. The reclassifications have no impact on the net assets or NAVs of the Funds. As of December 31, 2017, the Funds recorded reclassifications to increase (decrease) the accounts as listed below:

	<u>Capital Paid in on Shares of Beneficial Interest</u>	<u>Undistributed Net Investment Income (Loss)</u>	<u>Accumulated Net Realized Gain (Loss)</u>
Seix Corporate Bond Fund	\$ — ⁽¹⁾	\$ (8)	\$ 8
Seix Floating Rate High Income Fund	— ⁽¹⁾	(326)	326
Seix High Income Fund	— ⁽¹⁾	(8)	8
Seix High Yield Fund	— ⁽¹⁾	(208)	208
Seix Limited Duration Fund	(810)	1	809
Seix Short-Term Bond Fund	(1,102)	—	1,102
Seix Short-Term Municipal Bond Fund	— ⁽¹⁾	— ⁽¹⁾	—
Seix Total Return Bond Fund	— ⁽¹⁾	(2,022)	2,022
Seix U.S. Government Securities Ultra-Short Bond Fund	— ⁽¹⁾	— ⁽¹⁾	— ⁽¹⁾
Seix Ultra-Short Bond Fund	(1,326)	6	1,320
Seix Virginia Intermediate Municipal Bond Fund	—	— ⁽¹⁾	— ⁽¹⁾

⁽¹⁾ Amount is less than \$500.

Note 13. Distribution and Service Fees Reimbursed

RidgeWorth Distributors LLC, distributor for the Predecessor Funds through July 14, 2017, reimbursed the Funds and certain Predecessor Funds as necessary for Distribution and Service Fees, Commissions and CDSC previously paid by the Predecessor Funds but unused through July 14, 2017. The aggregate amount reimbursed to each Fund and to its respective Predecessor Fund, if any, is shown in the Statements of Operations under "Distribution and service fees reimbursed."

Note 14. Regulatory Matters and Litigation

From time to time, the Trust, the Funds, the Adviser and/or subadviser and/or their affiliates may be involved in litigation and arbitration as well as examinations and investigations by various regulatory bodies, including the SEC, involving compliance with, among other things, securities laws, client investment guidelines, laws governing the activities of broker-dealers and other laws and regulations affecting their products and other activities. At this time, the Investment Adviser believes that the outcomes of such matters are not likely, either individually or in aggregate, to be material to these financial statements.

Note 15. Recent Accounting Pronouncements

In October 2016, the SEC released its Final Rule on Investment Company Reporting Modernization (the "Rule"). The Rule contains amendments to Regulation S-X which impact financial statement presentation, particularly the presentation of derivative investments. The financial statements presented are in compliance with the most recent Regulation S-X amendments.

VIRTUS ASSET TRUST
DECEMBER 31, 2017

In March 2017, the Financial Accounting Standards Board issued an Accounting Standards Update, ASU 2017-08, Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20), Premium Amortization on Purchased Callable Debt Securities (the “ASU”) which amends the amortization period for certain purchased callable debt securities held at a premium, shortening such period to the earliest call date. The ASU does not require any accounting change for debt securities held at a discount; the discount continues to be amortized to maturity. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. At this time, management is evaluating the implications of these changes on the financial statements.

Note 16. Subsequent Events

Management has evaluated the impact of all subsequent events on the Funds through the date these financial statements were available for issuance and has determined that, except as set forth below, there are no subsequent events requiring recognition or disclosure in these financial statements.

On February 1, 2018, the Trust announced that the Board had approved the liquidation of Virtus Seix Limited Duration Fund (the “Fund”). On February 7, 2018, the Fund was liquidated at its net asset value. The Fund has ceased to exist and is no longer available for sale.



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of Virtus Asset Trust and Shareholders of Virtus Seix Core Bond Fund, Virtus Seix Corporate Bond Fund, Virtus Seix Floating Rate High Income Fund, Virtus Seix Georgia Tax-Exempt Bond Fund, Virtus High Grade Municipal Bond Fund, Virtus Seix High Income Fund, Virtus Seix High Yield Fund, Virtus Seix Investment Grade Tax-Exempt Bond Fund, Virtus Seix Limited Duration Fund, Virtus Seix North Carolina Tax-Exempt Bond Fund, Virtus Seix Short-Term Bond Fund, Virtus Seix Short-Term Municipal Bond Fund, Virtus Seix Total Return Bond Fund, Virtus Seix U.S. Government Securities Ultra-Short Bond Fund, Virtus Seix U.S. Mortgage Fund, Virtus Seix Ultra-Short Bond Fund and Virtus Seix Virginia Intermediate Municipal Bond Fund.

Opinions on the Financial Statements

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Virtus Seix Core Bond Fund, Virtus Seix Corporate Bond Fund, Virtus Seix Floating Rate High Income Fund, Virtus Seix Georgia Tax-Exempt Bond Fund, Virtus High Grade Municipal Bond Fund, Virtus Seix High Income Fund, Virtus Seix High Yield Fund, Virtus Seix Investment Grade Tax-Exempt Bond Fund, Virtus Seix Limited Duration Fund, Virtus Seix North Carolina Tax-Exempt Bond Fund, Virtus Seix Short-Term Bond Fund, Virtus Seix Short-Term Municipal Bond Fund, Virtus Seix Total Return Bond Fund, Virtus Seix U.S. Government Securities Ultra-Short Bond Fund, Virtus Seix U.S. Mortgage Fund, Virtus Seix Ultra-Short Bond Fund and Virtus Seix Virginia Intermediate Municipal Bond Fund (seventeen of the Funds constituting Virtus Asset Trust, hereafter collectively referred to as the "Funds") as of December 31, 2017, the related statements of operations for the period ended December 31, 2017 and for the year ended March 31, 2017, the statements of changes in net assets for the period ended December 31, 2017 and for each of the two years in the period ended March 31, 2017, including the related notes, and the financial highlights for the period ended December 31, 2017 and each of the five years in the period ended March 31, 2017 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as of December 31, 2017, the results of each of their operations for the period then ended and for the year ended March 31, 2017, the changes in each of their net assets for the period ended December 31, 2017 and each of the two years in the period ended March 31, 2017 and each of the financial highlights for the period ended December 31, 2017 and each of the five years in the period ended March 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on the Funds' financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodians, transfer agents and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinions.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania

February 23, 2018

We have served as the Virtus Mutual Funds' auditor since at least 1977. We have not determined the specific year we began serving as auditor of the Funds (or predecessor entities).

VIRTUS ASSET TRUST
TAX INFORMATION NOTICE (Unaudited)
DECEMBER 31, 2017

For the fiscal year ended December 31, 2017, the Funds make the following disclosures for federal income tax purposes. Below is listed the percentages, 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 Funds 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 Funds designate the amounts below as long term capital gains dividends ("LTCG") taxable at a 20% rate, or lower depending on the shareholder's income (\$ reported in thousands). LTCG amounts, if subsequently different, will be designated in the next annual report.

	<u>QDI</u>	<u>DRD</u>	<u>LTCG</u>
Seix Corporate Bond Fund	—%	—%	\$ 243
Seix Georgia Tax-Exempt Bond Fund	—	—	675
Seix High Grade Municipal Bond Fund.....	—	—	470
Seix Investment Grade Tax-Exempt Bond Fund	—	—	2,773
Seix North Carolina Tax-Exempt Bond Fund	—	—	170
Seix Short-Term Municipal Bond Fund	—	—	1
Seix Virginia Intermediate Municipal Bond Fund....	—	—	828

For federal income tax purposes, 100% of the income dividends paid by the Seix Georgia Tax-Exempt Bond Fund, Seix High Grade Municipal Bond Fund, Seix Investment Grade Tax-Exempt Bond Fund, Seix North Carolina Tax-Exempt Bond Fund, Seix Short-Term Municipal Bond Fund, and Seix Virginia Intermediate Bond Fund, qualify as exempt-interest dividends.

FUND MANAGEMENT TABLES
DECEMBER 31, 2017

Information pertaining to the Trustees and officers of the Trust as of the date the financial statements were available for issuance, 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 c/o Virtus Asset Trust, 100 Pearl Street, Hartford, CT 06103. There is no stated term of office for Trustees or officers of the Trust.

Independent Trustees

Name, Year of Birth, Length of Time Served and Number of Portfolios in Complex	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Brown, Thomas J. YOB: 1945 Served Since: 2017 86 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2011), Virtus Variable Insurance Trust (9 portfolios); Director (since 2010), D'Youville Senior Care Center; and Director (since 2005), VALIC Company Funds (49 portfolios).
Burke, Donald C. YOB: 1960 Served Since: 2017 90 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios), Virtus Variable Insurance Trust (9 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Director (since 2014) closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director, Avista Corp. (energy company) (since 2011); Trustee, Goldman Sachs Fund Complex (2010 to 2014); and Director, BlackRock Luxembourg and Cayman Funds (2006 to 2010).
Gelfenbien, Roger A. YOB: 1943 Served Since: 2017 86 Portfolios	Retired. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2000), Virtus Variable Insurance Trust (9 portfolios); and Director (1999 to 2017), USAllianz Variable Insurance Product Trust (42 portfolios).
Harris, Sidney E. YOB: 1949 Served Since: 2017 86 Portfolios	Professor and Dean Emeritus (since April 2015), Professor (1997 to 2014), Dean (1997 to 2004), J. Mack Robinson College of Business, Georgia State University; Trustee (since 2017), Virtus Mutual Fund Family (74 portfolios), Virtus Variable Insurance Trust (9 portfolios), and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2013), KIPP Metro Atlanta; Trustee (since 1999) Total System Services, Inc.; Trustee (2004 to 2017), RidgeWorth Funds; Trustee (2012 to 2017), International University of the Grand Bassam; and Trustee (2011 to 2015), Genspring Family Offices, LLC.
Mallin, John R. YOB: 1950 Served Since: 2017 86 Portfolios	Partner/Attorney (since 2003), McCarter & English LLP (law firm), Real Property Practice Group; and Member (since 2014), Counselors of Real Estate. Trustee (since 2016), Virtus Mutual Fund Family (74 portfolios) and Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Horizons, Inc. (non-profit); and Trustee (since 1999), Virtus Variable Insurance Trust (9 portfolios).
McClellan, Hassell H. YOB: 1945 Served Since: 2017 86 Portfolios	Retired (since 2013); and Professor (1984 to 2013), Wallace E. Carroll School of Management, Boston College. Chairperson of the Board (since 2017) and Trustee (since 2000), John Hancock Fund Complex (collectively, 227 portfolios); Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2015), Virtus Mutual Fund Family (74 portfolios); Director (since 2010), Barnes Group, Inc. (diversified global components manufacturer and logistical services company); and Trustee (since 2008), Virtus Variable Insurance Trust (9 portfolios).
McDaniel, Connie D. YOB: 1958 Served Since: 2017 86 Portfolios	Retired. Vice President, Chief of Internal Audit, Corporate Audit Department (2009 to 2013); Vice President Global Finance Transformation (2007 to 2009); Vice President and Controller (1999 to 2007), The Coca-Cola Company. Trustee (since 2017), Virtus Mutual Fund Family (74 portfolios), Virtus Variable Insurance Trust (9 portfolios), and Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2014), Total System Services, Inc.; and Trustee (2005 to 2017), RidgeWorth Funds.
McLoughlin, Philip YOB: 1946 Served Since: 1989 94 Portfolios	Retired. Director and Chairman (since 2016), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Director and Chairman (since 2014) Duff & Phelps Select Energy MLP Fund Inc.; Trustee and Chairman (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Trustee and Chairman (since 2011), Virtus Global Multi-Sector Income Fund; Chairman and Trustee (since 2003), Virtus Variable Insurance Trust (9 portfolios); Director (since 1995), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); Director (since 1991) and Chairman (since 2010), Lazard World Trust Fund (closed-end investment firm in Luxembourg); and Trustee (since 1989) and Chairman (since 2002), Virtus Mutual Fund Family (74 portfolios).
McNamara, Geraldine M. YOB: 1951 Served Since: 2002 90 Portfolios	Retired. Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2015), Virtus Variable Insurance Trust (9 portfolios); Director (since 2003), closed-end funds managed by Duff & Phelps Investment Management Co. (4 funds); and Trustee (since 2001), Virtus Mutual Fund Family (74 portfolios).

FUND MANAGEMENT TABLES (Continued)
DECEMBER 31, 2017

Name, Year of Birth, Length of Time Served and Number of Portfolios in Complex	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Oates, James M. YOB: 1946 Served Since: 2005 90 Portfolios	Managing Director (since 1994), Wydown Group (consulting firm). Director (since 2016), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Trustee (since 2016), Virtus Variable Insurance Trust (9 portfolios); Director (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Trustee (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Trustee (since 2011), Virtus Global Multi-Sector Income Fund; Trustee (since 2005) and Chairman (2005 to 2017), John Hancock Fund Complex (227 portfolios); Director (2002 to 2014), New Hampshire Trust Company; Chairman (2000 to 2016), Emerson Investment Management, Inc.; Non-Executive Chairman (2000 to 2014), Hudson Castle Group, Inc. (formerly IBEX Capital Markets, Inc.) (financial services); Chairman and Director (1999 to 2014), Connecticut River Bank; Director (since 1996), Stifel Financial; and Trustee (since 1987), Virtus Mutual Fund Family (74 portfolios).
Segerson, Richard E. YOB: 1948 Served Since: 2005 86 Portfolios	Retired; and Managing Director (1998 to 2013), Northway Management Company. Trustee (since 2016), Virtus Alternative Solutions Trust (3 portfolios) and Virtus Variable Insurance Trust (9 portfolios); and Trustee (since 1983), Virtus Mutual Fund Family (74 portfolios).

Interested Trustee

Name, Year of Birth, Year Elected and Number of Funds Overseen	Principal Occupation(s) During Past 5 Years and Other Directorships Held by Trustee
Aylward, George R.* Trustee and President YOB: 1964 Elected: 2006 92 Portfolios	Director, President and Chief Executive Officer (since 2008), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions with Virtus affiliates (since 2005). Chairman and Trustee (since 2015), Virtus ETF Trust II (2 funds); Director, President and Chief Executive Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Trustee and President (since 2013), Virtus Alternative Solutions Trust (3 portfolios); Director (since 2013), Virtus Global Funds, PLC (3 portfolios); Trustee (since 2012) and President (since 2010), Virtus Variable Insurance Trust (9 portfolios); Trustee, President and Chief Executive Officer (since 2011), Virtus Global Multi-Sector Income Fund; Trustee and President (since 2006) and Executive Vice President (2004 to 2006), Virtus Mutual Fund Family (74 portfolios); and Director, President and Chief Executive Officer (since 2006), Virtus Global Dividend & Income Fund Inc. and Virtus Total Return Fund Inc.

* 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.

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
Bradley, W. Patrick YOB: 1972	Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006).	Executive Vice President, Fund Services (since 2016), Senior Vice President, Fund Services (2010 to 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2004), Virtus Variable Insurance Trust; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2006), Virtus Mutual Fund Family; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2012 to 2013) and Treasurer and Chief Financial Officer (since 2010), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Executive Vice President (since 2016), Senior Vice President (2013 to 2016), Vice President (2011 to 2013), Chief Financial Officer and Treasurer (since 2011), Virtus Global Multi-Sector Income Fund; Executive Vice President (since 2016), Senior Vice President (2014 to 2016), Chief Financial Officer and Treasurer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Vice President and Assistant Treasurer (since 2011), Duff & Phelps Global Utility Income Fund Inc.; Director (since 2013), Virtus Global Funds, PLC; and Executive Vice President (since 2016), Senior Vice President (2013 to 2016), and Chief Financial Officer and Treasurer (since 2013), Virtus Alternative Solutions Trust.

FUND MANAGEMENT TABLES (Continued)
DECEMBER 31, 2017

Name, Address and Year of Birth	Position(s) Held with Trust and Length of Time Served	Principal Occupation(s) During Past 5 Years
Carr, Kevin J. YOB: 1954	Senior Vice President (since 2013), Vice President (2005 to 2013), Chief Legal Officer, Counsel and Secretary (since 2005).	Vice President and Senior Counsel (2017 to Present), Senior Vice President (2009 to 2017), Vice President, Counsel and Secretary (2008 to 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2005) with Virtus affiliates; Senior Vice President (since 2013), Vice President (2005 to 2013), Chief Legal Officer, Counsel and Secretary (since 2005), Virtus Mutual Fund Family; Senior Vice President (2013 to 2014), Vice President (2012 to 2013), Secretary and Chief Legal Officer (2005 to 2013), and Assistant Secretary (2013 to 2014 and since 2017), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Senior Vice President (since 2017), Assistant Secretary (since 2013), Vice President, Chief Legal Officer, Counsel and Secretary (2010 to 2013), Virtus Variable Insurance Trust; Senior Vice President (2013 to 2014); Senior Vice President (2013 to 2014), Vice President (2011 to 2013), and Assistant Secretary (since 2011), Virtus Global Multi-Sector Income Fund; Assistant Secretary (since 2015), Duff & Phelps Select Energy MLP Fund Inc.; Senior Vice President (since 2017) and Assistant Secretary (since 2013), Virtus Alternative Solutions Trust; Secretary (since 2015), ETFis Series Trust I; and Secretary (since 2015), Virtus ETF Trust II.
Engberg, Nancy J. YOB: 1956	Senior Vice President (since 2017), Vice President and Chief Compliance Officer (2011 to 2017), and Chief Compliance Officer (since 2011).	Senior Vice President (since 2017), Vice President (2008 to 2017) and Chief Compliance Officer (2008 to 2011 and since 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2003) with Virtus affiliates; Senior Vice President (since 2017), Vice President (2011 to 2017) and Chief Compliance Officer (since 2011), Virtus Mutual Fund Family; Senior Vice President (since 2017), Vice President (2010 to 2017) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Senior Vice President (since 2017), Vice President (2011 to 2017) and Chief Compliance Officer (since 2011), Virtus Global Multi-Sector Income Fund; Senior Vice President (since 2017), Vice President (2012 to 2017) and Chief Compliance Officer (since 2012), Virtus Total Return Fund Inc. and Virtus Global Dividend & Income Fund Inc.; Senior Vice President (since 2017), Vice President (2013 to 2017) and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Senior Vice President (since 2017), Vice President (2014 to 2017) and Chief Compliance Officer (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Chief Compliance Officer (since 2015), ETFis Series Trust I; and Chief Compliance Officer (since 2015), Virtus ETF Trust II.
Short, Julia R. YOB: 1972	Senior Vice President (since 2017).	Senior Vice President, Product Development (since 2017), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; Senior Vice President (since 2017), Virtus Mutual Fund Family; President and Chief Executive Officer, RidgeWorth Funds (2007 to 2017); and Managing Director, Product Manager, RidgeWorth Investments (2004 to 2017).
Waltman, Francis G. YOB: 1962	Executive Vice President (since 2013), Senior Vice President (2008 to 2013).	Executive Vice President, Product Development (since 2009), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various senior officer positions (since 2006) with Virtus affiliates; Executive Vice President (since 2013), Senior Vice President (2008 to 2013), Virtus Mutual Fund Family; Executive Vice President (since 2013), Senior Vice President (2010 to 2013), Virtus Variable Insurance Trust; Executive Vice President (since 2013), Senior Vice President (2011 to 2013), Virtus Global Multi-Sector Income Fund; Executive Vice President (since 2014), Duff & Phelps Select Energy MLP Fund Inc.; Director (since 2013), Virtus Global Funds PLC; and Executive Vice President (since 2013), Virtus Alternative Solutions Trust.

Virtus Seix Limited Duration Fund,

a series of Virtus Asset Trust

Supplement dated February 1, 2018 to the Prospectuses and

Statement of Additional Information (“SAI”) dated June 23, 2017, as supplemented

IMPORTANT NOTICE TO INVESTORS

The Board of Trustees of Virtus Asset Trust has approved the liquidation of **Virtus Seix Limited Duration Fund** (the “Fund”). Based on the recommendation of management, the Trustees determined that liquidation is in the best interest of the shareholders and voted to direct the mandatory redemption of all shares of the Fund. As previously announced, effective January 26, 2018, the Fund was closed to new investors and additional investor deposits.

On or about February 7, 2018 (the “Liquidation Date”), the Fund will be liquidated at its net asset value. Prior to such time, shareholders may exchange their shares of the Fund for shares of the same class of any other Virtus Mutual Fund. Shareholders may also redeem their shares at any time prior to the Fund’s liquidation on the Liquidation Date. There will be no fee or sales charges associated with exchange or redemption requests.

Because the exchange or redemption of your shares could be a taxable event, we suggest that you consult with your tax advisor prior to the Fund’s liquidation.

Investors should retain this supplement with the Prospectuses and SAI for future reference.

VAT 8622/LtdDurClosing (1/2018)

VIRTUS ASSET TRUST

101 Munson Street
Greenfield, MA 01301-9668

Trustees

George R. Aylward
Thomas J. Brown
Donald C. Burke
Roger A. Gelfenbien
Sidney E. Harris
John R. Mallin
Hassell H. McClellan
Connie D. McDaniel
Philip R. McLoughlin, Chairman
Geraldine M. McNamara
James M. Oates
Richard E. Segerson

Officers

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