

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Unaudited)
MARCH 31, 2022

(\$ reported in thousands)

	Par Value	Value		Par Value	Value
MORTGAGE-BACKED SECURITIES—94.2%					
Agency—94.2%			Agency—continued		
Federal Home Loan Mortgage Corp.			KF32, A (1 month LIBOR + 0.370%, Cap N/A, Floor 0.370%)		
Pool #848744 (12 month LIBOR + 1.789%, Cap 9.145%, Floor 1.789%)			0.611%, 5/25/24 ⁽¹⁾	\$ 867	\$ 866
2.041%, 5/1/34 ⁽¹⁾	\$ 3,606	\$ 3,744	KJ27, A1	952	952
Pool #848736 (12 month LIBOR + 1.750%, Cap 9.580%, Floor 1.750%)			2.092%, 7/25/24		
2.040%, 5/1/35 ⁽¹⁾	5,977	6,193	KF36, A (1 month LIBOR + 0.340%, Cap N/A, Floor 0.340%)		
Pool #848747 (12 month LIBOR + 1.867%, Cap 10.008%, Floor 1.867%)			0.581%, 8/25/24 ⁽¹⁾	4,121	4,121
2.142%, 7/1/36 ⁽¹⁾	3,332	3,470	KF34, A (1 month LIBOR + 0.360%, Cap N/A, Floor 0.370%)		
Pool #SB8125			0.601%, 8/25/24 ⁽¹⁾	1,212	1,213
3.000%, 7/1/36	9,839	9,927	KL3W, AFLW (1 month LIBOR + 0.450%, Cap N/A, Floor 0.450%)		
Pool #1Q1195 (12 month LIBOR + 1.607%, Cap 10.142%, Floor 1.607%)			0.691%, 8/25/25 ⁽¹⁾	21,461	21,525
1.907%, 5/1/37 ⁽¹⁾	2,288	2,376	KF55, A (1 month LIBOR + 0.510%, Cap N/A, Floor 0.510%)		
Pool #848796 (12 month LIBOR + 1.808%, Cap 9.817%, Floor 1.808%)			0.751%, 11/25/25 ⁽¹⁾	4,239	4,252
2.141%, 5/1/37 ⁽¹⁾	5,909	6,147	KF62, A (1 month LIBOR + 0.480%, Cap N/A, Floor 0.480%)		
Pool #1Q1420 (12 month LIBOR + 1.828%, Cap 10.639%, Floor 1.828%)			0.721%, 4/25/26 ⁽¹⁾	1,939	1,945
2.085%, 9/1/39 ⁽¹⁾	2,131	2,230	KF74, AS (SOFR + 0.530%)		
Pool #2B3257 (12 month LIBOR + 1.630%, Cap 8.038%, Floor 1.630%)			0.580%, 1/25/27 ⁽¹⁾	14,078	14,108
3.037%, 10/1/44 ⁽¹⁾	865	886	KF81, AS (SOFR30A + 0.400%)		
Pool #841345 (12 month LIBOR + 1.627%, Cap 7.642%, Floor 1.627%)			0.450%, 6/25/27 ⁽¹⁾	6,978	6,980
2.143%, 1/1/47 ⁽¹⁾	3,072	3,156	KF127, AS (SOFR30A + 0.210%, Cap N/A, Floor 0.210%)		
Pool #2B5891 (12 month LIBOR + 1.640%, Cap 7.891%, Floor 1.640%)			0.260%, 12/25/28 ⁽¹⁾	5,000	4,964
2.084%, 2/1/47 ⁽¹⁾	3,800	3,873	KF130, AS (SOFR30A + 0.290%, Cap N/A, Floor 0.290%)		
Pool #841075 (12 month LIBOR + 1.629%, Cap 8.275%, Floor 1.629%)			0.396%, 1/25/29 ⁽¹⁾	15,000	14,944
3.275%, 1/1/49 ⁽¹⁾	21,123	21,333	KF79, AS (SOFR30A + 0.580%)		
Pool #841083 (12 month LIBOR + 1.641%, Cap 7.809%, Floor 1.641%)			0.630%, 5/25/30 ⁽¹⁾	13,299	13,338
2.808%, 5/1/49 ⁽¹⁾	28,304	28,534	KF79, AL (1 month LIBOR + 0.470%, Cap N/A, Floor 0.470%)		
Pool #841057 (12 month LIBOR + 1.629%, Cap 8.320%, Floor 1.629%)			0.711%, 5/25/30 ⁽¹⁾	19,506	19,533
2.396%, 6/1/50 ⁽¹⁾	1,408	1,405	KF82, AS (SOFR30A + 0.420%)		
Pool #841335 (12 month LIBOR + 1.635%, Cap 7.936%, Floor 1.635%)			0.470%, 6/25/30 ⁽¹⁾	5,037	5,037
2.936%, 7/1/50 ⁽¹⁾	5,740	5,737	KF80, AS (SOFR30A + 0.510%)		
Pool #1B6503 (12 month LIBOR + 1.605%, Cap 6.926%, Floor 1.605%)			0.560%, 6/25/30 ⁽¹⁾	7,812	7,823
1.925%, 1/1/51 ⁽¹⁾	2,761	2,721	KF82, AL (1 month LIBOR + 0.370%, Cap N/A, Floor 0.370%)		
Pool #1B6504 (12 month LIBOR + 1.612%, Cap 7.278%, Floor 1.612%)			0.611%, 6/25/30 ⁽¹⁾	8,761	8,761
2.278%, 1/1/51 ⁽¹⁾	6,391	6,296	KF92, AS (SOFR30A + 0.360%)		
Pool #8C0174 (SOFR30A + 2.370%, Cap 6.890%, Floor 2.370%)			0.410%, 10/25/30 ⁽¹⁾	3,973	3,973
1.890%, 1/1/52 ⁽¹⁾	5,174	4,997	KF91, AS (SOFR30A + 0.380%)		
Pool #8C0184 (SOFR30A + 2.380%, Cap 7.048%, Floor 2.380%)			0.430%, 10/25/30 ⁽¹⁾	4,020	4,014
2.048%, 2/1/52 ⁽¹⁾	3,229	3,135	Federal Home Loan Mortgage Corp. REMIC		
Federal Home Loan Mortgage Corp. Multifamily Structured Pass-Through Certificates			2781, FA (1 month LIBOR + 0.350%, Cap 7.500%, Floor 0.350%)		
KF29, A (1 month LIBOR + 0.360%, Cap N/A, Floor 0.360%)			0.747%, 4/15/34 ⁽¹⁾	3,406	3,407
0.601%, 2/25/24 ⁽¹⁾	3,988	3,993	4879, DF (1 month LIBOR + 0.400%, Cap 6.500%, Floor 0.400%)		
			0.797%, 8/15/34 ⁽¹⁾	5,164	5,175
			2980, FJ (1 month LIBOR + 0.300%, Cap 7.000%, Floor 0.300%)		
			0.697%, 11/15/34 ⁽¹⁾	6,251	6,240
			3107, FC (1 month LIBOR + 0.300%, Cap 7.000%, Floor 0.300%)		
			0.697%, 6/15/35 ⁽¹⁾	2,362	2,364
			4048, GF (1 month LIBOR + 0.350%, Cap 7.000%, Floor 0.350%)		
			0.747%, 10/15/40 ⁽¹⁾	1,516	1,518

See Notes to Schedule of Investments

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
MARCH 31, 2022

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
Agency—continued			Agency—continued		
3820, FA (1 month LIBOR + 0.350%, Cap 7.000%, Floor 0.350%)			Pool #MA2820		
0.747%, 3/15/41 ⁽¹⁾	\$ 6,919	\$ 6,921	2.500%, 11/1/31	\$ 702	\$ 687
3990, GF (1 month LIBOR + 0.400%, Cap 7.000%, Floor 0.400%)			Pool #MA2979	1,272	1,243
0.797%, 3/15/41 ⁽¹⁾	2,955	2,957	2.500%, 4/1/32		
4203, PF (1 month LIBOR + 0.250%, Cap 6.500%, Floor 0.250%)			Pool #AD0064 (6 month LIBOR + 1.542%, Cap 10.936%, Floor 1.542%)	1,294	1,337
0.647%, 9/15/42 ⁽¹⁾	5,792	5,760	1.749%, 1/1/35 ⁽¹⁾		
4136, EF (1 month LIBOR + 0.250%, Cap 6.500%, Floor 0.250%)			Pool #FM4272	1,707	1,725
0.647%, 11/15/42 ⁽¹⁾	2,455	2,445	3.000%, 9/1/35		
4794, WF (1 month LIBOR + 0.350%)			Pool #BM6688	1,182	1,133
0.456%, 3/15/43 ⁽¹⁾	8,733	8,665	2.000%, 10/1/35		
Federal National Mortgage Association			Pool #AL2202 (12 month LIBOR + 1.696%, Cap 9.525%, Floor 1.696%)		
2016-M3, ASQ2			2.021%, 6/1/36 ⁽¹⁾	1,512	1,569
2.263%, 2/25/23	77	77	Pool #MA4362		
2016-M9, FA (1 month LIBOR + 0.590%, Cap N/A, Floor 0.590%)			3.000%, 6/1/36	5,101	5,142
0.716%, 9/25/23 ⁽¹⁾	4,797	4,807	Pool #AL0960 (12 month LIBOR + 1.691%, Cap 9.782%, Floor 1.691%)		
Pool #BL0422 (1 month LIBOR + 0.370%, Cap 98.890%, Floor 0.370%)			1.965%, 7/1/37 ⁽¹⁾	3,438	3,575
0.611%, 11/1/23 ⁽¹⁾	21,000	20,997	Pool #AL3421 (U.S. Treasury Yield Curve CMT 1 year + 2.375%, Cap 10.750%, Floor 2.375%)		
2016-M13, FA (1 month LIBOR + 0.670%, Cap N/A, Floor 0.670%)			2.448%, 9/1/37 ⁽¹⁾	923	976
0.796%, 11/25/23 ⁽¹⁾	346	347	Pool #AL0270 (12 month LIBOR + 1.642%, Cap 10.612%, Floor 1.642%)		
Pool #AN4300 (1 month LIBOR + 0.560%, Cap 98.150%, Floor 0.560%)			1.925%, 8/1/38 ⁽¹⁾	950	988
0.801%, 1/1/24 ⁽¹⁾	13,393	13,394	Pool #AL6516 (12 month LIBOR + 1.763%, Cap 8.692%, Floor 1.763%)		
Pool #AN4364 (1 month LIBOR + 0.590%, Cap 98.130%, Floor 0.590%)			2.049%, 4/1/40 ⁽¹⁾	2,520	2,616
0.831%, 1/1/24 ⁽¹⁾	2,821	2,820	Pool #AL7812 (12 month LIBOR + 1.727%, Cap 8.362%, Floor 1.727%)		
2017-M2, FA (1 month LIBOR + 0.530%, Cap N/A, Floor 0.530%)			1.977%, 11/1/40 ⁽¹⁾	3,683	3,818
0.656%, 2/25/24 ⁽¹⁾	762	763	Pool #AE0544 (12 month LIBOR + 1.743%, Cap 8.085%, Floor 1.743%)		
2017-M11, FA (1 month LIBOR + 0.470%, Cap 6.000%, Floor 0.470%)			1.992%, 11/1/40 ⁽¹⁾	1,904	1,974
0.596%, 9/25/24 ⁽¹⁾	1,445	1,447	Pool #AL7477 (12 month LIBOR + 1.795%, Cap 8.662%, Floor 1.795%)		
2017-M13, FA (1 month LIBOR + 0.400%, Cap 6.000%, Floor 0.400%)			2.046%, 12/1/40 ⁽¹⁾	1,901	1,979
0.526%, 10/25/24 ⁽¹⁾	1,321	1,322	Pool #AL0323 (12 month LIBOR + 1.818%, Cap 8.352%, Floor 1.818%)		
2015-M14, FA (1 month LIBOR + 0.620%, Cap N/A, Floor 0.620%)			2.082%, 6/1/41 ⁽¹⁾	1,617	1,686
1.077%, 10/25/25 ⁽¹⁾	10,768	10,844	Pool #AL8796 (12 month LIBOR + 1.825%, Cap 8.391%, Floor 1.825%)		
2015-M6, FA (1 month LIBOR + 0.300%, Cap N/A, Floor 0.300%)			2.096%, 9/1/41 ⁽¹⁾	5,038	5,238
0.757%, 1/25/26 ⁽¹⁾	14,993	15,005	Pool #AL1886 (12 month LIBOR + 1.752%, Cap 8.480%, Floor 1.752%)		
Pool #BS0309 (SOFR30A + 0.380%, Cap 97.930%, Floor 0.380%)			2.481%, 6/1/42 ⁽¹⁾	293	304
0.430%, 10/1/28 ⁽¹⁾	7,750	7,749	Pool #AL8872 (12 month LIBOR + 1.802%, Cap 8.341%, Floor 1.802%)		
Pool #AL8827			2.080%, 7/1/42 ⁽¹⁾	7,090	7,366
3.000%, 2/1/29	882	879	Pool #BM4557 (12 month LIBOR + 1.762%, Cap 7.911%, Floor 1.765%)		
Pool #BL5697 (1 month LIBOR + 0.650%, Cap 98.860%, Floor 0.650%)			2.031%, 5/1/45 ⁽¹⁾	2,540	2,626
0.891%, 2/1/30 ⁽¹⁾	6,300	6,300	Pool #B07214 (U.S. Treasury Yield Curve CMT 1 year + 1.525%, Cap 7.100%, Floor 1.525%)		
Pool #BS0549 (SOFR30A + 0.410%, Cap 98.400%, Floor 0.410%)			2.375%, 7/1/47 ⁽¹⁾	3,650	3,634
0.460%, 1/1/31 ⁽¹⁾	4,705	4,709	Pool #BE3734 (12 month LIBOR + 1.620%, Cap 7.867%, Floor 1.620%)		
Pool #BS0168 (SOFR30A + 0.420%, Cap 98.310%, Floor 0.420%)			2.867%, 7/1/47 ⁽¹⁾	3,408	3,489
0.470%, 1/1/31 ⁽¹⁾	31,100	31,099	Pool #B06296 (U.S. Treasury Yield Curve CMT 1 year + 1.525%, Cap 7.100%, Floor 1.525%)		
			3.002%, 7/1/47 ⁽¹⁾	754	761

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SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
MARCH 31, 2022

(\$ reported in thousands)

	<u>Par Value</u>	<u>Value</u>		<u>Par Value</u>	<u>Value</u>
Agency—continued			Agency—continued		
Pool #BM1805 (12 month LIBOR + 1.605%, Cap 7.820%, Floor 1.605%) 2.828%, 9/1/47 ⁽¹⁾	\$ 6,360	\$ 6,435	2005-58, KF (1 month LIBOR + 0.500%, Cap 6.500%, Floor 0.500%) 0.957%, 7/25/35 ⁽¹⁾	\$ 3,295	\$ 3,317
Pool #CA4499 (12 month LIBOR + 1.600%, Cap 7.673%, Floor 1.600%) 2.673%, 9/1/48 ⁽¹⁾	1,772	1,782	2018-96, FC (1 month LIBOR + 0.450%, Cap 6.500%, Floor 0.450%) 0.907%, 10/25/35 ⁽¹⁾	6,048	6,072
Pool #BM4556 (12 month LIBOR + 1.596%, Cap 8.336%, Floor 1.596%) 3.335%, 10/1/48 ⁽¹⁾	4,236	4,323	2006-31, FP (1 month LIBOR + 0.300%, Cap 7.000%, Floor 0.300%) 0.757%, 5/25/36 ⁽¹⁾	3,062	3,058
Pool #CA3138 (12 month LIBOR + 1.602%, Cap 8.656%, Floor 1.602%) 3.656%, 2/1/49 ⁽¹⁾	4,856	4,920	2006-63, FD (1 month LIBOR + 0.450%, Cap 7.000%, Floor 0.450%) 0.907%, 7/25/36 ⁽¹⁾	3,636	3,651
Pool #BO7215 (U.S. Treasury Yield Curve CMT 1 year + 1.650%, Cap 8.159%, Floor 1.650%) 3.057%, 4/1/49 ⁽¹⁾	1,317	1,326	2006-113, NF (1 month LIBOR + 0.350%, Cap 7.000%, Floor 0.350%) 0.807%, 9/25/36 ⁽¹⁾	2,355	2,356
Pool #BO7216 (U.S. Treasury Yield Curve CMT 1 year + 1.650%, Cap 7.739%, Floor 1.650%) 2.739%, 5/1/49 ⁽¹⁾	467	467	2007-106, FN (1 month LIBOR + 0.590%, Cap 7.000%, Floor 0.590%) 1.047%, 11/25/37 ⁽¹⁾	3,867	3,913
Pool #BP5563 (12 month LIBOR + 1.600%, Cap 7.440%, Floor 1.600%) 2.440%, 4/1/50 ⁽¹⁾	2,473	2,456	2009-66, FP (1 month LIBOR + 0.900%, Cap 7.000%, Floor 0.900%) 1.357%, 9/25/39 ⁽¹⁾	5,731	5,833
Pool #BM6855 (12 month LIBOR + 1.618%, Cap 7.577%, Floor 1.618%) 2.577%, 6/1/50 ⁽¹⁾	11,479	11,411	2010-59, FC (1 month LIBOR + 1.000%, Cap 6.000%, Floor 1.000%) 1.457%, 1/25/40 ⁽¹⁾	3,162	3,221
Pool #BP8393 (12 month LIBOR + 1.610%, Cap 7.324%, Floor 1.610%) 2.324%, 7/1/50 ⁽¹⁾	6,540	6,380	2010-137, WB 2.075%, 7/25/40	1,299	1,351
Pool #BM6378 (12 month LIBOR + 1.606%, Cap 7.435%, Floor 1.606%) 2.481%, 7/1/50 ⁽¹⁾	2,315	2,271	2012-71, FP (1 month LIBOR + 0.350%, Cap 7.000%, Floor 0.350%) 0.807%, 3/25/41 ⁽¹⁾	1,567	1,569
Pool #BP1780 (SOFR30A + 2.350%, Cap 7.079%, Floor 2.350%) 2.079%, 6/1/51 ⁽¹⁾	2,522	2,476	2013-34, PF (1 month LIBOR + 0.350%, Cap 6.500%, Floor 0.350%) 0.807%, 8/25/42 ⁽¹⁾	4,991	4,984
Pool #BT0206 (SOFR30A + 2.123%, Cap 6.880%, Floor 2.123%) 1.880%, 9/1/51 ⁽¹⁾	5,087	4,930	2017-104, PA 3.000%, 2/25/46	4,822	4,768
Pool #BU2464 (SOFR30A + 2.100%, Cap 6.692%, Floor 2.100%) 1.692%, 10/1/51 ⁽¹⁾	4,653	4,476	2016-67, AF (1 month LIBOR + 0.400%, Cap 6.500%, Floor 0.400%) 0.857%, 9/25/46 ⁽¹⁾	5,354	5,367
Pool #BU9421 (SOFR30A + 2.350%, Cap 6.939%, Floor 2.350%) 1.939%, 12/1/51 ⁽¹⁾	2,121	2,056	2019-13, FG (1 month LIBOR + 0.400%, Cap 6.500%, Floor 0.400%) 0.857%, 4/25/49 ⁽¹⁾	9,370	9,396
Pool #BT9466 (SOFR30A + 2.125%, Cap 7.013%, Floor 2.125%) 2.013%, 12/1/51 ⁽¹⁾	13,591	13,224	FRESB Mortgage Trust 2015-SB6, A5 (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 9/25/35 ⁽¹⁾	949	946
Federal National Mortgage Association REMIC 2011-62, LF (1 month LIBOR + 0.400%, Cap 7.000%, Floor 0.400%) 0.857%, 1/25/32 ⁽¹⁾	6,095	6,107	2016-SB13, A5H (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 1/25/36 ⁽¹⁾	8,555	8,538
2013-62, FQ (1 month LIBOR + 0.250%, Cap 7.000%, Floor 0.250%) 0.707%, 9/25/32 ⁽¹⁾	3,068	3,053	2016-SB16, A5H (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 5/25/36 ⁽¹⁾	6,323	6,311
2018-92, AF (1 month LIBOR + 0.400%, Cap 6.500%, Floor 0.400%) 0.857%, 5/25/33 ⁽¹⁾	6,021	6,034	2016-SB18, A5H (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 5/25/36 ⁽¹⁾	501	500
2005-17, FA (1 month LIBOR + 0.300%, Cap 7.000%, Floor 0.300%) 0.757%, 3/25/35 ⁽¹⁾	5,102	5,094	2016-SB23, A5H (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 9/25/36 ⁽¹⁾	1,035	1,033
2005-74, NA (1 month LIBOR + 0.420%, Cap 6.500%, Floor 0.420%) 0.877%, 5/25/35 ⁽¹⁾	9,152	9,171	2015-SB3, A5 (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 8/25/42 ⁽¹⁾	320	319
			2016-SB19, A5H (1 month LIBOR + 0.700%, Cap N/A, Floor 0.700%) 0.941%, 1/25/46 ⁽¹⁾	592	591

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VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
MARCH 31, 2022

(\$ reported in thousands)

Exchange-Traded Futures contracts as of March 31, 2022 were as follows:

Issue	Expiration	Contracts Purchased/(Sold)	Notional Value	Value / Unrealized Appreciation	Value / Unrealized (Depreciation)
Short Contracts:					
2 Year U.S. Treasury Note Future	June 2022	(44)	\$ (9,325)	\$ 129	\$—
5 Year U.S. Treasury Note Future	June 2022	(400)	(45,875)	1,223	—
Total				<u>\$1,352</u>	<u>\$—</u>

The following table summarizes the market value of the Fund's investments as of March 31, 2022, based on the inputs used to value them (See Security Valuation Note 1 in the Notes to Schedule of Investments):

	Total Value at March 31, 2022	Level 1 Quoted Prices	Level 2 Significant Observable Inputs
Assets:			
Debt Securities:			
Mortgage-Backed Securities	\$712,175	\$ —	\$712,175
Money Market Mutual Fund	46,754	46,754	—
Other Financial Instruments:			
Futures Contracts	1,352	1,352	—
Total Investments	<u>\$760,281</u>	<u>\$48,106</u>	<u>\$712,175</u>

There were no securities valued using significant unobservable inputs (Level 3) at March 31, 2022.

There were no transfers into or out of Level 3 related to securities held at March 31, 2022.

See Notes to Schedule of Investments

VIRTUS SEIX U.S. GOVERNMENT SECURITIES ULTRA-SHORT BOND FUND
NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)
MARCH 31, 2022

Note 1. Security Valuation

The Fund utilizes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The Fund's policy is to recognize transfers into or out of Level 3 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 the Fund's major categories of assets and liabilities measured at fair value on a recurring basis is as follows:

Equity securities are valued at the official closing price (typically last sale) on the exchange on which the securities are primarily traded or, if no closing price is available, at the last bid price and are categorized as Level 1 in the hierarchy. Restricted equity securities and private placements that are 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 the 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 Fund fair values 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 American Depositary Receipts, financial futures, exchange-traded funds ("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 convertible bonds, and 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, activity of the underlying equities, 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.

Listed derivatives, such as options and futures, 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 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 and ETFs are valued as of the close of regular trading on the NYSE each business day. Each is categorized as Level 1 in the hierarchy.

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

For additional information about significant accounting policies, refer to the Fund's most recent semi or annual report.