

VIRTUS ALLIANZGI HIGH YIELD BOND FUND
SCHEDULE OF INVESTMENTS (Unaudited)
DECEMBER 31, 2021

(\$ reported in thousands)

	Par Value	Value		Par Value	Value		Par Value	Value
CORPORATE BONDS AND NOTES—91.8%								
Advertising—0.8%								
Clear Channel Outdoor Holdings, Inc.								
144A 7.750%, 4/15/28 ⁽¹⁾	\$ 185	\$ 198						
144A 7.500%, 6/1/29 ⁽¹⁾	350	374						
		572						
Aerospace & Defense—2.2%								
TransDigm, Inc.								
6.375%, 6/15/26	650	668						
5.500%, 11/15/27	185	191						
Triumph Group, Inc.								
144A 8.875%, 6/1/24 ⁽¹⁾	389	424						
144A 6.250%, 9/15/24 ⁽¹⁾	245	246						
		1,529						
Airlines—1.6%								
American Airlines, Inc.								
144A 11.750%, 7/15/25 ⁽¹⁾	285	351						
144A 5.750%, 4/20/29 ⁽¹⁾	160	171						
Delta Air Lines, Inc.								
7.375%, 1/15/26	500	589						
		1,111						
Auto Components—3.3%								
American Axle & Manufacturing, Inc.								
6.500%, 4/1/27	380	395						
Clarion Global LP 144A								
8.500%, 5/15/27 ⁽¹⁾	635	673						
Goodyear Tire & Rubber Co. (The)								
5.250%, 4/30/31	340	370						
144A 5.250%, 7/15/31 ⁽¹⁾	345	374						
Tenneco, Inc.								
5.000%, 7/15/26	335	322						
144A 7.875%, 1/15/29 ⁽¹⁾	150	162						
		2,296						
Auto Manufacturers—2.3%								
Ford Motor Co.								
9.000%, 4/22/25	725	887						
9.625%, 4/22/30	475	695						
		1,582						
Building Materials—2.5%								
Builders FirstSource, Inc.								
144A								
5.000%, 3/1/30 ⁽¹⁾	430	461						
Griffon Corp.								
5.750%, 3/1/28	320	333						
Koppers, Inc. 144A								
6.000%, 2/15/25 ⁽¹⁾	360	366						
Summit Materials LLC 144A								
5.250%, 1/15/29 ⁽¹⁾	535	560						
		1,720						
Chemicals—1.0%								
Tronox, Inc. 144A								
4.625%, 3/15/29 ⁽¹⁾	\$ 345	\$ 344						
WR Grace Holdings LLC 144A								
5.625%, 8/15/29 ⁽¹⁾	325	333						
		677						
Commercial Services—3.4%								
ADT Security Corp. (The)								
144A								
4.125%, 8/1/29 ⁽¹⁾	345	340						
Avis Budget Car Rental LLC								
144A								
5.375%, 3/1/29 ⁽¹⁾	485	511						
Deluxe Corp. 144A								
8.000%, 6/1/29 ⁽¹⁾	480	502						
Hertz Corp. (The) 144A								
5.000%, 12/1/29 ⁽¹⁾	330	330						
NESCO Holdings II, Inc. 144A								
5.500%, 4/15/29 ⁽¹⁾	330	341						
United Rentals North America, Inc.								
5.250%, 1/15/30	315	341						
		2,365						
Computers—0.8%								
NCR Corp. 144A								
5.125%, 4/15/29 ⁽¹⁾	505	523						
Containers & Packaging—2.0%								
Berry Global, Inc. 144A								
5.625%, 7/15/27 ⁽¹⁾	350	366						
Owens-Brockway Glass Container, Inc. 144A								
6.625%, 5/13/27 ⁽¹⁾	460	486						
Trivium Packaging Finance B.V. 144A								
8.500%, 8/15/27 ⁽¹⁾	525	555						
		1,407						
Cosmetics & Personal Care—0.3%								
Edgewell Personal Care Co.								
144A								
5.500%, 6/1/28 ⁽¹⁾	220	234						
Diversified Financial Services—4.1%								
Nationstar Mortgage Holdings, Inc.								
144A 5.500%, 8/15/28 ⁽¹⁾	495	505						
144A 5.750%, 11/15/31 ⁽¹⁾	170	169						
Navient Corp.								
6.750%, 6/15/26	395	436						
4.875%, 3/15/28	340	339						
OneMain Finance Corp.								
6.625%, 1/15/28	790	885						
5.375%, 11/15/29	180	196						
PennyMac Financial Services, Inc. 144A								
4.250%, 2/15/29 ⁽¹⁾	320	308						
		2,838						
Electronic Equipment, Instruments & Components—0.7%								
WESCO Distribution, Inc.								
144A								
7.250%, 6/15/28 ⁽¹⁾	\$ 445	\$ 488						
Electronics—0.5%								
II-VI, Inc. 144A								
5.000%, 12/15/29 ⁽¹⁾	330	337						
Entertainment—6.2%								
Caesars Entertainment, Inc.								
144A 8.125%, 7/1/27 ⁽¹⁾	785	869						
144A 4.625%, 10/15/29 ⁽¹⁾	340	340						
Cedar Fair LP								
5.375%, 4/15/27	480	492						
International Game Technology plc 144A								
6.250%, 1/15/27 ⁽¹⁾	400	448						
Lions Gate Capital Holdings LLC 144A								
5.500%, 4/15/29 ⁽¹⁾	470	478						
Live Nation Entertainment, Inc. 144A								
4.750%, 10/15/27 ⁽¹⁾	480	493						
Scientific Games International, Inc. 144A								
8.250%, 3/15/26 ⁽¹⁾	600	632						
SeaWorld Parks & Entertainment, Inc. 144A								
5.250%, 8/15/29 ⁽¹⁾	505	514						
		4,266						
Environmental Services—0.7%								
GFL Environmental, Inc. 144A								
4.750%, 6/15/29 ⁽¹⁾	505	509						
Equity Real Estate Investment Trusts (REITs)—1.7%								
Iron Mountain, Inc. 144A								
5.250%, 7/15/30 ⁽¹⁾	490	516						
Park Intermediate Holdings LLC 144A								
4.875%, 5/15/29 ⁽¹⁾	340	348						
Service Properties Trust								
4.350%, 10/1/24	150	147						
4.500%, 3/15/25	200	195						
		1,206						
Food & Beverage—4.1%								
Kraft Heinz Foods Co.								
5.000%, 7/15/35	145	177						
6.500%, 2/9/40	455	647						
Performance Food Group, Inc. 144A								
4.250%, 8/1/29 ⁽¹⁾	345	342						
Post Holdings, Inc. 144A								
4.500%, 9/15/31 ⁽¹⁾	345	343						
Simmons Foods, Inc. 144A								
4.625%, 3/1/29 ⁽¹⁾	360	355						

See Notes to Schedule of Investments

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SCHEDULE OF INVESTMENTS (Unaudited) (Continued)
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	Par Value	Value		Par Value	Value		Par Value	Value
Food & Beverage—continued			Iron & Steel—continued			Media—continued		
Triton Water Holdings, Inc. 144A 6.250%, 4/1/29 ⁽¹⁾	\$ 505	\$ 484	United States Steel Corp. 6.875%, 3/1/29	\$ 465	\$ 500	Virgin Media Finance plc 144A 5.000%, 7/15/30 ⁽¹⁾	\$ 235	\$ 234
US Foods, Inc. 144A 4.750%, 2/15/29 ⁽¹⁾	460	468			1,439			4,930
		2,816	Leisure Time—3.6%			Metal Fabricate/Hardware—0.3%		
Food Service—0.5%			Carnival Corp. 144A 10.500%, 2/1/26 ⁽¹⁾	440	502	Park-Ohio Industries, Inc. 6.625%, 4/15/27	240	233
Aramark Services, Inc. 144A 5.000%, 2/1/28 ⁽¹⁾	325	336	144A 5.750%, 3/1/27 ⁽¹⁾	180	180	Mining—0.9%		
Healthcare-Products—0.5%			144A 6.000%, 5/1/29 ⁽¹⁾	510	507	Hudbay Minerals, Inc. 144A 4.500%, 4/1/26 ⁽¹⁾	365	365
Mozart Debt Merger Sub, Inc. 144A 5.250%, 10/1/29 ⁽¹⁾	340	345	NCL Corp., Ltd. 144A 5.875%, 3/15/26 ⁽¹⁾	505	503	Joseph T Ryerson & Son, Inc. 144A 8.500%, 8/1/28 ⁽¹⁾	208	226
Healthcare-Services—2.6%			Royal Caribbean Cruises Ltd. 144A 11.500%, 6/1/25 ⁽¹⁾	589	660			591
Encompass Health Corp. 4.750%, 2/1/30	210	217	144A 5.500%, 4/1/28 ⁽¹⁾	160	162	Oil, Gas & Consumable Fuels—10.4%		
HCA, Inc. 5.625%, 9/1/28	310	362			2,514	Antero Resources Corp. 144A 7.625%, 2/1/29 ⁽¹⁾	324	360
Select Medical Corp. 144A 6.250%, 8/15/26 ⁽¹⁾	325	344	Lodging—1.2%			144A 5.375%, 3/1/30 ⁽¹⁾	175	187
Tenet Healthcare Corp. 144A 6.125%, 10/1/28 ⁽¹⁾	805	850	Boyd Gaming Corp. 144A 8.625%, 6/1/25 ⁽¹⁾	214	229	Callon Petroleum Co. 144A 8.000%, 8/1/28 ⁽¹⁾	690	697
		1,773	Hilton Grand Vacations Borrower Escrow LLC 144A 5.000%, 6/1/29 ⁽¹⁾	165	169	CITGO Petroleum Corp. 144A 6.375%, 6/15/26 ⁽¹⁾	320	325
Home Builders—1.2%			MGM Resorts International 4.750%, 10/15/28	245	252	CNX Resources Corp. 144A 7.250%, 3/14/27 ⁽¹⁾	405	430
Picasso Finance Sub, Inc. 144A 6.125%, 6/15/25 ⁽¹⁾	360	376	Station Casinos LLC 144A 4.625%, 12/1/31 ⁽¹⁾	175	177	Comstock Resources, Inc. 144A 6.750%, 3/1/29 ⁽¹⁾	475	515
Taylor Morrison Communities, Inc. 144A 5.750%, 1/15/28 ⁽¹⁾	400	447			827	144A 5.875%, 1/15/30 ⁽¹⁾	325	333
		823	Machinery-Construction & Mining—0.5%			EQT Corp. 7.500%, 2/1/30	330	424
Home Furnishings—0.3%			Terex Corp. 144A 5.000%, 5/15/29 ⁽¹⁾	325	334	Occidental Petroleum Corp. 5.550%, 3/15/26	650	724
Tempur Sealy International, Inc. 144A 3.875%, 10/15/31 ⁽¹⁾	175	175	Media—7.1%			8.875%, 7/15/30	150	202
Internet—1.1%			CCO Holdings LLC 4.500%, 5/1/32	265	273	6.625%, 9/1/30	380	470
Uber Technologies, Inc. 144A 8.000%, 11/1/26 ⁽¹⁾	265	282	144A 5.375%, 6/1/29 ⁽¹⁾	500	539	PBF Holding Co. LLC 6.000%, 2/15/28	175	112
144A 7.500%, 9/15/27 ⁽¹⁾	445	485	CSC Holdings LLC 144A 7.500%, 4/1/28 ⁽¹⁾	510	547	PDC Energy, Inc. 5.750%, 5/15/26	400	413
		767	144A 5.750%, 1/15/30 ⁽¹⁾	115	114	SM Energy Co. 6.500%, 7/15/28	360	373
Investment Companies—0.7%			Directv Financing LLC 144A 5.875%, 8/15/27 ⁽¹⁾	500	512	Southwestern Energy Co. 5.375%, 3/15/30	325	348
Compass Group Diversified Holdings LLC 144A 5.250%, 4/15/29 ⁽¹⁾	490	513	DISH DBS Corp. 7.375%, 7/1/28	630	638	Sunoco LP 5.875%, 3/15/28	205	217
Iron & Steel—2.1%			Gray Escrow II, Inc. 144A 5.375%, 11/15/31 ⁽¹⁾	170	175	144A 4.500%, 4/30/30 ⁽¹⁾	170	174
Cleveland-Cliffs, Inc. 5.875%, 6/1/27	495	515	Gray Television, Inc. 144A 4.750%, 10/15/30 ⁽¹⁾	530	527	USA Compression Partners LP 6.875%, 9/1/27	495	523
144A 6.750%, 3/15/26 ⁽¹⁾	400	424	iHeartCommunications, Inc. 8.375%, 5/1/27	325	343	Weatherford International Ltd. 144A 8.625%, 4/30/30 ⁽¹⁾	325	337
			Nexstar Media, Inc. 144A 5.625%, 7/15/27 ⁽¹⁾	260	274			7,164
			Scripps Escrow II, Inc. 144A 5.375%, 1/15/31 ⁽¹⁾	405	412	Paper & Forest Products—0.5%		
			TEGNA, Inc. 5.000%, 9/15/29	335	342	Mercer International, Inc. 5.125%, 2/1/29	330	337

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	Par Value	Value		Par Value	Value		Par Value	Value
Pharmaceuticals—4.0%			Retail—continued			Transportation—1.0%		
AdaptHealth LLC 144A			Carvana Co. 144A			Fortress Transportation & Infrastructure Investors LLC		
4.625%, 8/1/29 ⁽¹⁾	\$ 410	\$ 410	4.875%, 9/1/29 ⁽¹⁾	\$ 340	\$ 324	144A 9.750%, 8/1/27 ⁽¹⁾	\$ 300	\$ 336
Bausch Health Americas, Inc. 144A			Foot Locker, Inc. 144A			144A 5.500%, 5/1/28 ⁽¹⁾	340	347
8.500%, 1/31/27 ⁽¹⁾	500	525	4.000%, 10/1/29 ⁽¹⁾	170	170			683
Bausch Health Cos., Inc. 144A			New Red Finance, Inc. 144A			TOTAL CORPORATE BONDS AND NOTES		
7.250%, 5/30/29 ⁽¹⁾	515	510	4.000%, 10/15/30 ⁽¹⁾	345	339	(Identified Cost \$60,767)		
Jazz Securities DAC 144A								63,455
4.375%, 1/15/29 ⁽¹⁾	345	357			1,517			
Organon & Co. 144A			Semiconductors—0.6%			PREFERRED STOCK—2.7%		
5.125%, 4/30/31 ⁽¹⁾	505	528	Amkor Technology, Inc. 144A					
Prestige Brands, Inc. 144A			6.625%, 9/15/27 ⁽¹⁾	245	259	Shares		
5.125%, 1/15/28 ⁽¹⁾	395	411	Synaptics, Inc. 144A			Entertainment—2.7%		
		2,741	4.000%, 6/15/29 ⁽¹⁾	165	167	LiveStyle, Inc. Series B ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	18,941	1,894
					426	TOTAL PREFERRED STOCK		
Pipelines—3.8%			Software—2.2%			(Identified Cost \$1,857)		
Antero Midstream Partners LP 144A			Clarivate Science Holdings Corp. 144A			COMMON STOCKS—1.5%		
5.375%, 6/15/29 ⁽¹⁾	325	343	4.875%, 7/1/29 ⁽¹⁾	515	522	Banks—1.4%		
Crestwood Midstream Partners LP 144A			Consensus Cloud Solutions, Inc. 144A			CCF Holdings LLC ⁽⁴⁾⁽⁵⁾	1,570,753	785
6.000%, 2/1/29 ⁽¹⁾	495	514	6.500%, 10/15/28 ⁽¹⁾	505	528	CCF Holdings LLC Class M ⁽⁴⁾⁽⁵⁾	293,320	147
DCP Midstream Operating LP			SS&C Technologies, Inc. 144A					932
5.125%, 5/15/29	290	328	5.500%, 9/30/27 ⁽¹⁾	445	465	Consumer Finance—0.1%		
EQM Midstream Partners LP 144A					1,515	Erickson, Inc. ⁽⁴⁾⁽⁵⁾	2,675	69
6.500%, 7/1/27 ⁽¹⁾	220	246	Telecommunications—5.6%			Entertainment—0.0%		
NGL Energy Operating LLC 144A			Avaya, Inc. 144A			LiveStyle, Inc. ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	67,983	— ⁽⁷⁾
7.500%, 2/1/26 ⁽¹⁾	505	521	6.125%, 9/15/28 ⁽¹⁾	320	339	TOTAL COMMON STOCKS		
NuStar Logistics LP			CommScope, Inc. 144A			(Identified Cost \$4,945)		
6.375%, 10/1/30	305	338	8.250%, 3/1/27 ⁽¹⁾	495	509	WARRANTS—0.2%		
Targa Resources Partners LP			Frontier Communications Holdings LLC			Banks—0.2%		
6.500%, 7/15/27	315	338	144A 5.000%, 5/1/28 ⁽¹⁾	300	309	CCF Holdings LLC ⁽⁴⁾⁽⁵⁾	485,227	136
		2,628	144A 6.000%, 1/15/30 ⁽¹⁾	175	176			
Real Estate—0.7%			Hughes Satellite Systems Corp.					
Kennedy-Wilson, Inc.			6.625%, 8/1/26	465	521			
5.000%, 3/1/31	470	484	LogMeIn, Inc. 144A					
Retail—2.2%			5.500%, 9/1/27 ⁽¹⁾	515	521			
Asbury Automotive Group, Inc.			Lumen Technologies, Inc.					
144A 4.625%, 11/15/29 ⁽¹⁾	170	173	144A 4.500%, 1/15/29 ⁽¹⁾	215	208			
144A 5.000%, 2/15/32 ⁽¹⁾	170	177	144A 5.375%, 6/15/29 ⁽¹⁾	665	665			
Bath & Body Works, Inc. 144A			Sprint Corp.					
6.625%, 10/1/30 ⁽¹⁾	295	334	7.625%, 3/1/26	530	636			
					3,884			

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	Shares	Value
Media—0.0%		
Affinifund Group Holdings ⁽⁴⁾⁽⁵⁾⁽⁶⁾	3,898	\$ —
TOTAL WARRANTS (Identified Cost \$770)		136
TOTAL LONG-TERM INVESTMENTS—96.2% (Identified Cost \$68,339)		66,486
SHORT-TERM INVESTMENT—2.9%		
Money Market Mutual Fund—2.9%		
Dreyfus Government Cash Management Fund - Institutional Shares (seven-day effective yield 0.030%) ⁽⁶⁾	2,001,840	2,002
TOTAL SHORT-TERM INVESTMENT (Identified Cost \$2,002)		2,002
TOTAL INVESTMENTS—99.1% (Identified Cost \$70,341)		\$68,488
Other assets and liabilities, net—0.9%		640
NET ASSETS—100.0%		\$69,128

Abbreviations:

LLC Limited Liability Company
LP Limited Partnership
REIT Real Estate Investment Trust

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, 2021, these securities amounted to a value of \$44,687 or 64.6% of net assets.
- ⁽²⁾ A member of the Fund's portfolio management team is a member of the board of directors of LiveStyle, Inc. The Fund's aggregate value of investments in LiveStyle, Inc. represents 2.74% of net assets.
- ⁽³⁾ Affiliated investment.
- ⁽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⁾ Non-income producing.
- ⁽⁶⁾ All or a portion of the security is restricted.
- ⁽⁷⁾ Amount is less than \$500.
- ⁽⁸⁾ Shares of this fund are publicly offered, and its prospectus and annual report are publicly available.

Country Weightings[†]

United States	91%
Canada	2
Panama	2
Bermuda	1
Liberia	1
United Kingdom	1
Netherlands	1
Other	1
Total	100%

[†] % of total investments as of December 31, 2021.

The following table summarizes the market value of the Fund's investments as of December 31, 2021, based on the inputs used to value them (See Security Valuation Note 1 in the Notes to Schedule of Investments):

	Total Value at December 31, 2021	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Assets:				
Debt Securities:				
Corporate Bonds and Notes	\$63,455	\$ —	\$63,455	\$ —
Equity Securities:				
Common Stocks	1,001	—	—	1,001
Preferred Stock	1,894	—	—	1,894
Warrants	136	—	—	136 ⁽¹⁾
Money Market Mutual Fund	2,002	2,002	—	—
Total Investments	\$68,488	\$2,002	\$63,455	\$3,031

⁽¹⁾ Includes internally fair valued securities currently priced at zero (\$0).

There were no transfers into or out of Level 3 related to securities held at December 31, 2021.

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.

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The following is a reconciliation of assets of the Fund for Level 3 investments for which significant unobservable inputs were used to determine fair value.

	Total	Common Stocks	Preferred Stocks	Warrants
Investments in Securities				
Balance as of September 30, 2021:	\$3,539	\$1,417	\$1,894	\$228 ^(a)
Change in unrealized appreciation (depreciation) ^(b)	(508)	(416)	—	(92)
Balance as of December 31, 2021	<u>\$3,031</u>	<u>\$1,001</u>	<u>\$1,894</u>	<u>\$136^(a)</u>

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

^(b) The change in unrealized appreciation (depreciation) on investments still held at December 31, 2021, was \$508.

The following table presents additional information about valuation techniques and inputs used for investments that are measured at fair value and categorized within Level 3 at December 31, 2021:

Investments in Securities – Assets	Ending Balance at December 31, 2021	Valuation Technique Used	Unobservable Inputs	Input Values
Preferred Stock:				
LiveStyle, Inc. Series B	\$1,894	Market and Company Comparables	EV Multiples Illiquidity Discount	5.03x (0.29x - 21.73x) 30%
Common Stocks:				
CCF Holdings LLC	\$ 785	Market and Company Comparables	EV Multiples Illiquidity Discount	1.26x (0.57x - 2.03x) 0.65x (0.33x - 0.95x) 20%
CCF Holdings LLC Class M	\$ 147	Market and Company Comparables	EV Multiples Illiquidity Discount	1.26x (0.57x - 2.03x) 0.65x (0.33x - 0.95x) 20%
Erickson, Inc.	\$ 69	Market and Company Comparables	EV Multiples M&A Transaction Multiples Illiquidity Discount	1.29x (0.83x - 2.43x) 10.91x (9.18x - 14.51x) 1.00x (0.57x - 1.49x) 0.96x(0.41x-1.96x) 20%
LiveStyle, Inc.	\$ — ⁽¹⁾	Market and Company Comparables	EV Multiples Illiquidity Discount	5.03x (0.29x - 21.73x) 30%
Warrants:				
CCF Holdings LLC	\$ 136	Market and Company Comparables Black-Scholes Model	EV Multiples Illiquidity Discount Volatility	1.26x (0.57x - 2.03x) 0.65x (0.33x - 0.95x) 20% 55%

⁽¹⁾ Amount is less than \$500.

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NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)
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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, that are actively traded are valued based on quoted prices from the exchange and are categorized as Level 1 in the hierarchy. Over-the-counter derivative contracts, which include forward currency contracts and equity-linked instruments, do not require material subjectivity as pricing inputs are observed from actively quoted markets and are categorized as Level 2 in the hierarchy.

Investments in open-end mutual funds are valued at 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.