

INVESTMENT OVERVIEW

The Fund seeks to maximize total return, which consists of income on its investments and capital appreciation.

KEY FEATURES

Rigorous Fundamental Research — Intensive fundamental credit research within a top-down framework underpins Stone Harbor’s investment process. The team seeks to invest in companies with seasoned management, solid financials, good liquidity, and appropriate leverage and/or asset protection over the cycle

Risk Management — Security selection focuses on taking what the team believes to be appropriate levels of risk as the economy, market, and industry cycles evolve. Quantitative techniques are used to monitor portfolio risks. Stone Harbor’s goal is to minimize credit losses while capturing market dislocations

Depth of Experience — Stone Harbor has been managing global high yield assets since 1996

FUND INFORMATION

	Ticker	CUSIP
A Shares	VSHDX	92828Y540
I Shares	SHHYX	92828Y532
Inception Date	08/16/07	
AUM (\$ millions)	94.0	
Number of Holdings	156	
Dividends	Quarterly	
Morningstar Category	High Yield Bond	
Lipper Category	High Yield Funds	
Index	ICE BofA US High Yield Constrained Index	

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★★	632
3 Year	★★★	632
5 Year	★★★	577
10 Year	★★	400

Morningstar ratings are based on risk-adjusted returns. Strong ratings are not indicative of positive fund performance.

INVESTMENT ADVISER

Virtus Alternative Investment Advisers, Inc.

INVESTMENT SUBADVISER



Stone Harbor is a global credit specialist with expertise in emerging and developed markets debt, with three decades of informed experience allocating risk in complex areas of the fixed income markets. We manage credit portfolios for clients globally.

Stone Harbor Investment Partners is a division of Virtus Fixed Income Advisers, LLC (“VFIA”), an SEC registered investment adviser.

PORTFOLIO MANAGERS

Peter J. Wilby, CFA
 Industry start date: 1980
 Start date as Fund Portfolio Manager: 2007

James E. Craige, CFA
 Industry start date: 1988
 Start date as Fund Portfolio Manager: 2018

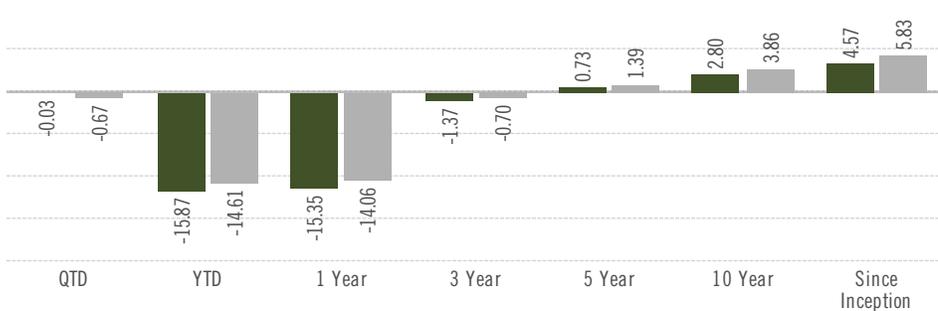
Matthew Kearns, CFA
 Industry start date: 1997
 Start date as Fund Portfolio Manager: 2018

Hunter Schwarz
 Industry start date: 2003
 Start date as Fund Portfolio Manager: 2018

Daniel Berkery, CFA
 Industry start date: 1991
 Start date as Fund Portfolio Manager: 2010

William Perry
 Industry start date: 1984
 Start date as Fund Portfolio Manager: 2018

AVERAGE ANNUAL TOTAL RETURNS (%) as of 09/30/2022



Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Please visit virtus.com for performance data current to the most recent month end. This share class has no sales charges and is not available to all investors. Other share classes have sales charges. See virtus.com for details.

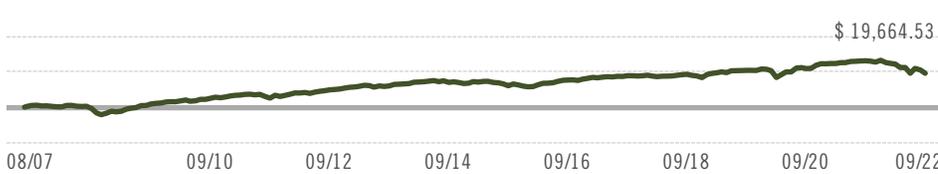
The fund class gross expense ratio is 0.83%. The net expense ratio is 0.66%, which reflects a contractual expense reimbursement in effect through 4/7/2024.

Average annual total return is the annual compound return for the indicated period and reflects the change in share price and the reinvestment of all dividends and capital gains. Returns for periods of one year or less are cumulative returns.

ANNUAL PERFORMANCE (%)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund	4.38	7.23	13.34	-2.72	5.23	12.56	-4.46	0.64	7.67	15.71
Index	5.35	6.07	14.41	-2.27	7.48	17.49	-4.61	2.51	7.41	15.55

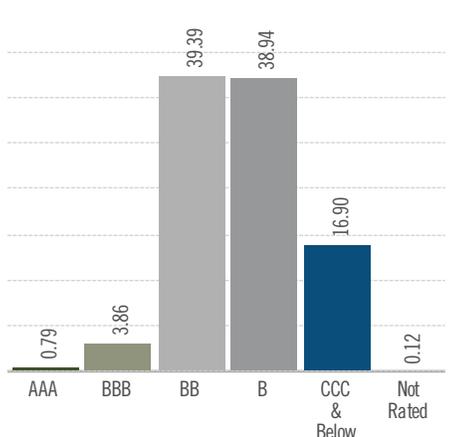
GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 8/16/2007. As of 9/30/2022 the fund value would have been \$19,664.53. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Virtus Stone Harbor High Yield Bond Fund, a series of Virtus Opportunities Trust, is the successor of Stone Harbor High Yield Bond Fund, formerly a series of Stone Harbor Investment Funds (“Predecessor Fund”), resulting from a reorganization of the Predecessor Fund with and into the fund on April 8, 2022.

RATINGS DISTRIBUTION



% Fund

TOP TEN HOLDINGS

TOP TEN HOLDINGS	% Fund
Occidental Petroleum Corp, 8.8750% 7/15/30	2.30
Ford Motor Credit Co LLC, 5.1130% 05/03/2029	2.27
Prime Security Services Borrower LLC / Prime Finance Inc, 6.2500% 01/15/2028	1.47
CSC Holdings LLC, 4.1250% 12/01/2030	1.31
Hilcorp Energy I LP / Hilcorp Finance Co, 6.2500% 11/01/2028	1.29
Triton Water Holdings Inc, 6.2500% 04/01/2029	1.29
CCO Holdings LLC / CCO Holdings Capital Corp, 4.5000% 08/15/2030	1.27
Scientific Games International Inc, 7.2500% 11/15/2029	1.27
US Acute Care Solutions LLC, 6.3750% 03/01/2026	1.25
Gray Escrow II Inc, 5.3750% 11/15/2031	1.24

% Fund

GEOGRAPHIC BREAKDOWN

GEOGRAPHIC BREAKDOWN	% Fund
U.S. Domiciled	89.19
Other Developed	6.42
European Domiciled	3.59
Net Cash	0.79

% Fund

INDUSTRY ALLOCATION

INDUSTRY ALLOCATION	% Fund
E&P	10.31
Media Cable	7.99
Midstream	6.14
Gaming	6.02
Financial/Lease	5.77
Healthcare	5.73
Automotive	4.82
Building Products	4.53
Media Other	4.49
Industrial Other	4.16

% Fund

CHARACTERISTICS

CHARACTERISTICS	Fund
Effective Duration	4.55
Weighted Average Life	5.85
30-day SEC Yield ¹	8.60
30-day SEC Yield (unsubsidized) ²	8.43

¹ 30-day SEC Yield is a standardized yield calculated according to a formula set by the SEC, and is subject to change.

² 30-day SEC Yield (unsubsidized) is the 30-day SEC yield without the effect of applicable expense waivers.

INCOME DISTRIBUTIONS

Month	NAV at Month-End
August 2022	\$0.095867
	6.95

RISK STATISTICS

(3 YEAR)	Fund	Index
Alpha	-0.69	n/a
Beta	0.98	1.00
R ²	0.97	1.00
Sharpe Ratio	-0.18	-0.12
Standard Deviation	10.96	10.97

Holdings and sector weightings are subject to change. Weightings may not add up to 100% as a result of the use of certain financial instruments, including derivatives, which may be used to gain or reduce market exposure and/or for risk management purposes.

IMPORTANT RISK CONSIDERATIONS

Credit & Interest: Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.
Counterparties: There is risk that a party upon whom the portfolio relies to complete a transaction will default.
Derivatives: Derivatives may include, among other things, futures, options, forwards and swap agreements and may be used in order to hedge portfolio risks, create leverage, or attempt to increase returns. Investments in derivatives may result in increased volatility and the portfolio may incur a loss greater than its principal investment.
High Yield Fixed Income Securities: There is a greater risk of issuer default, less liquidity, and increased price volatility related to high yield securities than investment grade securities.
Liquidity: Certain instruments may be difficult or impossible to sell at a time and price beneficial to the portfolio.
Income: Income received from the portfolio may vary widely over the short- and long-term and/or be less than anticipated if the proceeds from maturing securities in the portfolio are reinvested in lower-yielding securities.
Bank Loans: Bank loans may be unsecured or not fully collateralized, may be subject to restrictions on resale, may be less liquid and may trade infrequently on the secondary market. Bank loans settle on a delayed basis; thus, sale proceeds may not be available to meet redemptions for a substantial period of time after the sale of the loan.
ABS/MBS: Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the non-repayment of underlying collateral, including losses to the portfolio.
Market Volatility: The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional, or global events such as war (e.g., Russia's invasion of Ukraine), acts of terrorism, the spread of infectious illness (e.g., COVID-19 pandemic) or other public health issues, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio's manager(s) to invest the portfolio's assets as intended.
Prospectus: For additional information on risks, please see the fund's prospectus.

GLOSSARY

Effective Duration: The change in the value of a fixed income security that will result from a 1% change in interest rates while taking into account the way changes in rates will affect the expected cash flows of any bond with an embedded option such as call or prepayment option. This measure assigns a probability to the exercise of a call option, where applicable, based on specified shifts in the yield curve. Duration is expressed as a number of years, and generally, the larger the duration, the greater the interest rate risk or reward for a portfolio's underlying bond prices.
Weighted Average Life: The length of time to repayment of principal on a security whereby the time to each principal payment is weighted by the proportional size of the corresponding payment.
Alpha: A risk-adjusted measure of an investment's excess return relative to a benchmark.
Beta: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.
R²: A measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index.
Sharpe Ratio: A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.
Standard Deviation: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

INDEX DEFINITION

Index: The ICE BofA US High Yield Constrained Index contains all securities in the US High Yield Index but caps issuer exposure at 2%. Index constituents are capitalization weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro rata basis. Similarly, the face values of bonds of all other issuers that fall below the 2% cap are increased on a pro rata basis. In the event there are fewer than 50 issues in the Index, each is equally weighted and the face values of their respective bonds are increased or decreased on a pro rata basis. 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.

RATINGS DISTRIBUTION METHODOLOGY

The ratings issued by Nationally Recognized Statistical Rating Organizations assess the credit worthiness of a corporation's or government's debt issues. The ratings apply to the fund's holdings and not the fund. Ratings are provided by Standard & Poor's, Moody's, and Fitch. In determining the average credit quality of a security, Stone Harbor uses the following hierarchy: S&P; if S&P is unavailable, Moody's; if Moody's is unavailable, Fitch. If no rating is available, Stone Harbor applies its internal rating methodology to assign a rating. A security that has not been assigned a credit rating through Stone Harbor's methodology is listed as 'not rated'. Ratings have been converted to the equivalent S&P rating category. Cash and currency forwards generally are assigned the AAA rating. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C, and D are below-investment grade ratings.

Morningstar Rating™ for funds, or 'star rating,' is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effect of sales charges and loads.

© 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Lipper Category Classifications © 2022 Lipper. All rights reserved.

Please consider a Fund's investment objectives, risks, charges, and expenses carefully before investing. For this and other information about any Virtus Fund, contact your financial professional, call 800-243-4361, or visit virtus.com for a prospectus or summary prospectus. Read it carefully before investing.

Not insured by FDIC/NCUSIF or any federal government agency. No bank guarantee. Not a deposit. May lose value.

Mutual funds distributed by VP Distributors, LLC, member FINRA and subsidiary of Virtus Investment Partners, Inc.

