

INVESTMENT OVERVIEW

The Fund seeks to maximize total return, which consists of income on its investments and capital appreciation, by investing in a portfolio of emerging markets debt instruments.

KEY FEATURES

Rigorous Credit Analysis and Dynamic Asset Allocation — Combined fundamental credit research and country macro analysis, with emphasis on valuations, is employed to construct a highly diversified portfolio. Active asset allocation to hard and local currency sovereign debt and hard currency corporate debt based on relative valuation analysis provides return generation potential

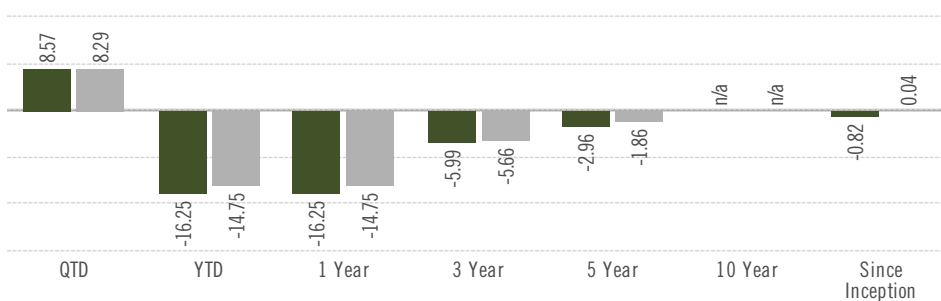
Pioneers in Risk Analytics — Proprietary platform enables continuous monitoring of portfolio risk exposures in reaction to changing market conditions

Depth of Experience in EMD — Stone Harbor’s demonstrated ability in managing emerging markets debt is rooted in teamwork with a 30-year history, a disciplined research and investment process, and the experience to make what are believed to be sound investment judgments

FUND INFORMATION

	Ticker	CUSIP
A Shares	VSHBX	92828Y581
I Shares	SHADX	92828Y573
Inception Date	10/20/14	
AUM (\$ millions)	1.8	
Number of Holdings	2	
Dividends	Semiannually	
Morningstar Category	Emerging Markets Bond	
Lipper Category	Emerging Markets Local Currency Debt Fds	
Index	Composite: 50% J.P. Morgan EMBI Gbl Diversified / 50% J.P. Morgan GBI-EM Gbl Diversified	

AVERAGE ANNUAL TOTAL RETURNS (%) as of 12/30/2022



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.

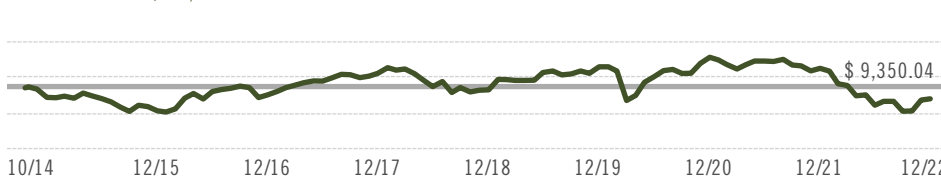
The fund class gross expense ratio is 3.07%. The net expense ratio is 0.85%, which reflects a contractual expense reimbursement in effect through 4/7/2024.

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 (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund	-16.25	-5.56	5.03	13.86	-9.02	13.35	10.99	-8.46	n/a	n/a
Index	-14.75	-5.32	4.02	14.31	-5.15	12.74	10.16	-7.14	n/a	n/a

GROWTH OF \$10,000



This chart assumes an initial investment of \$10,000 made on 10/20/2014. As of 12/30/2022 the fund value would have been \$9,350.04. Fund performance assumes reinvestment of dividends and capital gain distributions. This growth reflects no front end sales charges.

Virtus Stone Harbor Emerging Markets Debt Allocation Fund, a series of Virtus Opportunities Trust, is the successor of Stone Harbor Emerging Markets Debt Allocation 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.

MORNINGSTAR RATINGS

Time Period	# of Stars	# of Funds
Overall	★★	248
3 Year	★★	248
5 Year	★★	223
10 Year	Not Rated	n/a

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: 2014

James E. Craig, CFA
Industry start date: 1988
Start date as Fund Portfolio Manager: 2014

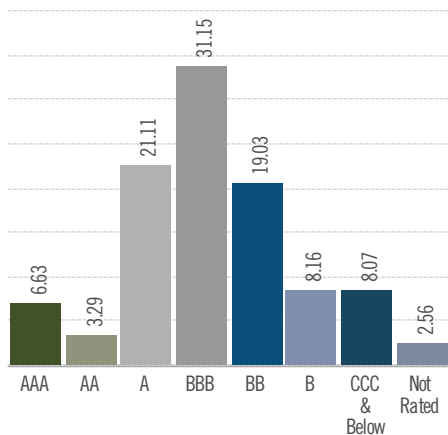
Kumaran Damodaran, PhD
Industry start date: 2000
Start date as Fund Portfolio Manager: 2015

Stuart Sclater-Booth
Industry start date: 1992
Start date as Fund Portfolio Manager: 2017

William Perry
Industry start date: 1984
Start date as Fund Portfolio Manager: 2014

David A. Oliver, CFA
Industry start date: 1986
Start date as Fund Portfolio Manager: 2014

RATINGS DISTRIBUTION % Fund



CHARACTERISTICS Fund

Effective Duration	5.62
Weighted Average Life	9.51
30-day SEC Yield ¹	2.66
30-day SEC Yield (unsubsidized) ²	2.18

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.

IMPORTANT RISK CONSIDERATIONS

Affiliated Fund: The risk that the adviser's authority to select and substitute underlying funds from a variety of affiliated mutual funds may create a conflict of interest. **Allocation:** The risk that the portfolio's exposure to equities and fixed income securities, or to different asset classes, may vary from the intended allocation or may not be optimal for market conditions at a given time. **Fund of Funds:** The risk that the fund's performance will be adversely affected by the assets owned by the other mutual funds and ETFs in which it invests, and that the layering of expenses associated with the fund's investment in such other funds will cost shareholders more than direct investments would have cost. **Emerging Markets Investing:** Emerging markets securities may be more volatile, or more greatly affected by negative conditions, than those of their counterparts in more established foreign markets. **Foreign Investing:** Investing in foreign securities subjects the portfolio to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk. **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. **Currency Rate:** Fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of the portfolio's shares. **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. **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 or military conflict (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. **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:**

SECTOR DISTRIBUTION % Fund

Sovereign Local Currency	48.02
Sovereign Hard Currency	36.96
Corporate Hard Currency	7.57
Net Cash	7.45
Corporate Local Currency	0.01

INCOME DISTRIBUTIONS NAV at Month-End

December 2022	\$0.868483	6.46
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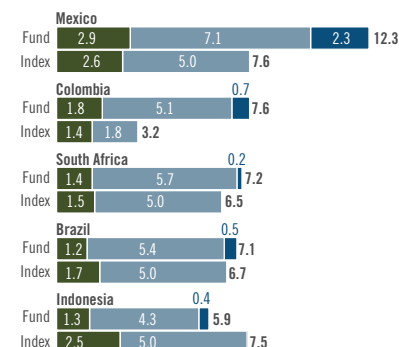
RISK STATISTICS (3 YEAR)

	Fund	Index
Alpha	1.05	n/a
Beta	1.18	1.00
R ²	0.98	1.00
Sharpe Ratio	-0.45	-0.51
Standard Deviation	14.93	12.51

REGIONAL ALLOCATION % Fund

Latin America	37.35
Asia	19.15
Africa	16.08
Europe	13.29
Net Cash	7.45
Middle East	6.69

TOP FIVE COUNTRIES (%)



Legend: Sovereign Hard Currency (dark green), Sovereign Local Currency (blue), Corporate Hard Currency (light blue), Corporate Local Currency (red)

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.

Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk. **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.

INDEX DEFINITION

Index: The composite index consists of the J.P. Morgan EMBI Global Diversified Index which tracks total returns for U.S. dollar denominated debt instruments issued by emerging markets sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds, and the J.P. Morgan GBI-EM Global Diversified Index which consists of regularly traded, liquid fixed rate, domestic currency government bonds to which international investors can gain exposure. The composite 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.

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